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EDITORIAL

As We See It

If the politicians, or anyone else for that matter, supposed that the voting in 1952 or in 1954 in any way solved our farm problems, they must have become definitely disillusioned during the past few weeks. Although it is not always easy to make heads or tails of published data on the subject, the Federal Government is said by those on the scene to have something like $8.5 billion tied up in price supports—that is in an endeavor to assure the farmer profitable prices for goods no one wants, or at least no one wants badly enough to pay what they cost to produce. And the situation is getting worse instead of better.

Politicians now in power quickly say that such a state of affairs grows directly out of what is termed a fixed or rigid price support policy as distinguished from a flexible price support program. But whatever is assigned responsibility for it, the taxpayer will apparently be called upon to put up considerably more money for the purpose. Whether when the newer arrangements become effective, any very great difference in the costliness of these schemes will be realized remains to be seen. Certain it is that nothing now on the statute books or being suggested by any of the politicians is in the least likely to get at the root of these really difficult problems.

The difference between current or currently proposed programs appears to be the difference between dollars from us all to the farmers or more dollars from us all to the farmers; between control of the operations of the farmer from Washington or more control of the farmer from Washington—or at least effort to control. None of them makes economic sense and none of them

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Oil Additives—A New Chemical Industry

By DR. R. S. ARIES & R. M. CZINER
R. S. Aries & Associates, New York City

Authors call attention to the recent growth in the use of chemical additives to petroleum products and describe the chemicals which are added to gasoline and lubricating oils. Discuss the market for chemical additives to petroleum products and foresee a continuing rapid growth in use of these additives.

There is a $400,000,000 per year market in chemicals used as additives for petroleum products. While more than $250,000,000 worth of chemicals are added to your gasoline, nearly $150,000,000 is spent in adding chemical compounds to all types of lubricating oils. Despite the fact that the use of additives is a long established practice, the emergence of the additive field into a major chemical industry is a fairly recent phenomenon. This is especially true for lubricating oil additives.

Dr. Robert S. Aries

Rudolf M. Cziner

Gasoline Additives

During the past few years, Mr. Average Motorist has suddenly been made aware of "additives." Besides learning the alphabet, the motorist has been led to expect all kinds of miracles by the use of gasoline with specific types of chemical additives. A dash of ABC and a pinch of XYZ in your gasoline has been advertised to bring out the most wonderful results in your car, even if you

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How High Is the Stock Market?

By EDMUND W. TABELL
Partner, Walston & Co., New York City
Members New York Stock Exchange

Market analyst maintains recent market rise ensued from impact of past-due investor confidence on previous undervaluation. Citing statistical differentiation from 1929 situation, holds on value criteria prices are now at only one-third of that boom level. Describes his attitude as conservatively bullish with intermediate term commitments limited to less exploited situations with a minimum of downside risk; with a rise of the D. J. Average to 600 by 1958-1960 a distinct possibility.

The Senate Banking Committee recently spent some three weeks in hearing expert testimony and opinion on why the stock market had risen so sharply in the past 18 months and whether or not it was vulnerable to a sharp decline. In the main, the investigation was interesting and constructive but considerable time could have been saved by confining the inquiry to the testimony of the last witness, Mr. Bernard Baruch. Mr. Baruch's testimony focused on the inflation already frozen into our economy. This tremendous increase in our money supply, since the start of World War II, and its effect upon earnings, dividends, prices and money rates, has been largely ignored, or regarded as a purely temporary phenomenon. The market ignored the fact that earnings on the Dow Jones Industrials rose from a plateau of $5.00-$10.00 in the 1935-1945 period to a plateau of $25.00-$30.00 from 1950 on. Failure to realize that these earnings were permanent resulted in a greatly undervalued stock market from 1948 to 1953—a market in which high grade investment stocks sold at 7 to 9 times earnings to yield 5½% to 7%, in which there was a spread of as much as 3½% to 4½% in favor of common stock yields over AAA bond yields.

Edmund W. Tabell

It was this drastic undervaluation that prompted me,

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SECURITIES NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 48.

The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

This Week's Forum Participants and Their Selections

Standard Oil Company of New Jersey — Seymour Katzenstein, Research Partner, Hirsch & Co., New York City. (Page 2)

National Acme Company—Harry D. Miller, Partner, Nugent & Igoe, East Orange, N. J. (Page 2)

SEYMOUR KATZENSTEIN

Research Partner, Hirsch & Co.
Members: New York Stock Exchange, American Stock Exhange and Chicago Board of Trade

Standard Oil Co. of New Jersey

At current price of 111, Standard Oil of New Jersey's common stock is selling for about 11½ times estimated 1954 earnings of $9.50 per common share to yield 4½% on the $5 annual dividend. It is further estimated that last year's cash earnings exceeded $14 a share and in these terms the stock is selling at slightly less than 8 times cash results. In the present market these are very attractive statistical measurements for a "blue chip" of Jersey's caliber and history. Furthermore, it would appear that current year results will show further improvement.

Seymour Katzenstein

This, the world's largest organization in the petroleum industry, is a holding company operating through numerous subsidiaries. In the case of just four major subsidiaries, Jersey's holdings have a market value that exceeds prevailing quotations for the parent company's equity. In addition to these holdings, which are shown below, Jersey also has other sizable and important assets which add considerably to underlying values.

Affil. Co.	Percent. of Total Common Stock Owned	Current Value Per Common Share of Jersey
Humble Oil	87.6%	46½
Creole Pet.	95.0	56
Imperial Oil	69.6	13
Internat'l Pet.	83.0	5
		120½

Jersey's crude oil and condensate reserves, as recently estimated by the company, proved to be substantially higher than was widely supposed. The company's equity in such reserves exceeded 20 billion barrels and have a value equivalent to $150 a common share based on $1 a barrel for U. S. crude, 50 cents for Western Hemisphere reserves other than those in the U. S., and 25 cents for the large holdings in the Middle East and elsewhere. Overall natural gas reserves are not estimated but those in the U. S. would add another $10 a share based on a valuation of 5 cents per 1000 cubic feet. Admittedly, about one-half of Jersey's crude and condensate reserves are located in the politically unstable Middle East. This factor, however, is at least partly discounted in the relatively low value placed on these reserves in the valuations indicated above. On a value basis, these same reserves account for only 30% of the estimated total of $150 a share. On the other hand, Middle East fields are highly prolific and low cost and it is difficult to minimize their importance. Moreover, European petroleum markets which are largely served from the Middle East are growing at a much more rapid rate than those in the U. S.

It would appear, therefore, that this premier oil company is selling on an attractive basis relative to earnings and dividends and is also interestingly priced in terms of asset values whether measured by market prices for underlying holdings or measured in terms of reserves.

The petroleum industry continues to be well regarded for its growth prospects. Jersey's long range growth record compares favorably with that of the industry and this trend should continue. Dividends have been paid without interruption since 1882. Certainly, for the "blue chip" minded investor, this common stock, listed on the New York Stock Exchange, should continue interesting.

HARRY D. MILLER

Partner, Nugent & Igoe,
East Orange, N. J.
Members New York Stock Exchange

National Acme Company

A magic word in today's stock market is "Automation," and we find many companies selling 20 or 30 times earnings because they are involved in one aspect or another of this industrial and office revolution. While some of these companies, such as Remington Rand, are old established operations, many are new and inadequately financed.

Harry D. Miller

The reason for this high evaluation of earnings is obvious. Labor costs have risen to the point where no company can hope to stay competitive unless they avail themselves of every labor saving device on the market. This trend will continue and may well be accelerated if we enter the era of the guaranteed annual wage.

With these facts fixed in your mind, what would you say if I offered you a recognized leader in the field of automation and labor saving equipment selling at less than five times earnings? In effect that is what you are getting when you buy National Acme at the current level of 58.

A glance at the balance sheet of National Acme shows that when you buy this stock you are getting a well financed company which has, in addition to other working capital of about $10,000,000 (more than adequate for all its needs), government bonds in the amount of $11,406,749. Since there are only 500,000 shares of common stock and no bonds, preferred stocks or bank loans, this amounts to an additional $23 per share. Thus, you are paying a net cost of $35 per share for a strong, growing company in the field of automation which earned in 1954 $7.37 per share and paid dividends totaling $4 per share.

While it has become fashionable in some quarters to criticize managements which accumulate large cash reserves, I know of no better way to insure the safety of your investment. Further, it places a company in a position to take advantage of any good expansion opportunity without the necessity of resorting to expensive financing. This is very much in the mind of the National Acme management.

A recent check with management indicates that incoming orders are substantial and of a very diversified nature. January orders showed a sharp pickup, February exceeded January, and more orders were received in the first two weeks of March than in all of February. Present backlog indicates another very successful year ahead. New products are being added, the latest being a vertical chucking machine, said to be the most advanced in its field. The company has a large research and development department working along three lines: electrical, machinery and die and tap. About 10% of the sales volume is produced by a "product" department which is largely a proving ground for machinery built in the plant. In a recent trip through the plant, this writer was amazed at the degree of complete automation achieved on the most intricate operations.

To sum it up, very high prices are being paid today for the stocks of growing companies with a future. Here is one which is listed on the New York Stock Exchange that not only has a glowing future but a very fine past and present which can be bought to yield about 7%. Need I say more?

Business Man's Bookshelf

How to Save Estate and Gift Taxes—J. K. Lasser Tax Institute and Ralph Wallace—American Research Council, 2 East Avenue, Larchmont, N. Y. (cloth) $5.95.

Industrial Development of Switzerland — Albert C. Hunold — Swiss Institute for International Studies, Zurich, Switzerland (cloth).

Life of John Gibson: Soldier, Patriot, Statesman — Charles W. Hanko—College Publishing Co., 840 Magnolia, Daytona Beach, Fla., $2.00.

Management of Expanding Enterprises—William H. Newman and James P. Logan—Columbia University Press, 2960 Broadway, New York 27, N. Y. (cloth) $2.75.

Real Estate Principals — Hoagland — McGraw-Hill Book Co., Inc., 330 West 42nd Street, New York 36, N. Y.—$6.50.

Three Taft-Hartley Issues — Theodore R. Iserman — American Enterprise Association, Inc., 1012 14th Street, N. W. Washington 5, D. C. (paper) $1.

Transportation—A Report to the Congress: March, 1955 — Commission on Organization of the Executive Branch of the government (paper), 50¢, Superintendent of Documents, U. S. Government Printing Office, Washington, D. C.

What Makes an Executive? — Report of a Round Table on Executive Potential and Performance—Columbia University Press, 2960 Broadway, New York 27, N. Y. (cloth) $3.50.

Studying the Course of Stock Prices

By KENNETH WARD*
Partner, Hayden, Stone & Co.
Members of the New York Stock Exchange

Stock market analyst, holding the view that the 400 Dow Industrial Stock Average "was achieved on pretty solid fundamentals," stresses the importance of the investor studying individual companies. Lists investor's requirements as: (1) stability of income; (2) liberal yield; (3) appreciation; and (4) growth. Says trend charts of stock prices are merely instruments to take some guess work out of the market, as no system is infallible. Lists five factors bearing on the present stock market, and concludes that well-selected, long-term investment positions should be held and any reactions should be used to make careful purchases in previously unexploited issues. Gives selected list of stocks and their projected top prices for holding.

You have heard and read so much about the Stock Exchange and the stock market during the past month that there is very little I can add. However, I have always considered it rather healthy to bring into the open all the pros and cons of an institution that is so important to the economic well-being of the country.

Kenneth Ward

Beyond broadening a general understanding of the functions of the Stock Exchange and the economy, the Congressional investigation apparently accomplished very little. The testimony and opinions of the presidents of our two most important Exchanges, leading corporation officials and other financial experts was interesting and provocative. Some confusion resulted in the first week of testimony and was responsible for scaring many timid holders of securities into selling out their holdings. Most appropriate were Bernard Baruch's remarks that, "the stock market is the thermometer, not the fever of the economy," and that when measuring stock prices, "the kind of dollars is the one to use."

It seemed to me that this whole discussion centered too much on over-speculation rather than the present values behind securities. I believe that the results of the investigation would have been more fruitful if further effort were made to advertise the essential purposes of stock buying. This purpose, of course, is to invest one's spare funds in the securities of industries and commercial corporations out of whose profits reasonable dividends may be expected. This is investing, not gambling in the hope of quick capital gains. It stands to reason that if business continues to be as favorable as it recently has been, and many of our business leaders confidently believe it will continue to be this year, that many stocks are very much underpriced, not over-priced.

If we run into war in the Far East, which possibility is certainly far more important today than any investigation, or if business starts to slow down, earnings and dividends, which are the main yardsticks of stock values, will decline and stock prices will follow. In the marketplace, we must always look to the future in appraising the value of individual stocks.

Today, I am going to try and take you behind the scenes, pushing aside somewhat the veil of mystery and tell you the point of view of a man who is daily on the firing line, playing third base—the hot corner on my team—and endeavoring to predict the future course of stock prices. But let me say at the beginning, that nowhere is the pride of opinion more costly than in the stock market, and what I say to you today and the conclusions I arrive at on the market and on individual stocks are made in a very humble way, mainly because of having made mistakes and muffed a lot of grounders.

My job, specifically, is the selection and the timing of investment purchases and sale of securities in an overall sense, and not speculation. The timing of purchases is not as important as selection but you can buy good values and sit with them for years without much appreciation. I would just like to add that a willingness to accept a risk is what has made the United States a great country. Otherwise, many investors would have been reluctant to take a chance in buying General Motors, Radio and other great company stocks, years ago. I believe in the economic growth of the country, and so I recommend purchase of common stocks. While 75% of stock market prices are based on fundamental statistics, earnings and dividend prospects, the other 25% is based not on company reports, but on what may be the existing psychology of the marketplace and this psychology or changing sentiment is tremendously important in shaping the course of security prices as you have recently noticed.

We are all traveling the same investment road today, but I prefer using a road map and the road maps that I use are com-

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*A talk by Mr. Ward before the Businessmen's Conference, sponsored by the Bank of Virginia, Richmond, Va., March 30, 1955.

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Doing What Comes Chemically

By IRA U. COBLEIGH

Enterprise Economist

A spring look at a few chemicals which, what with all the accent on atomic issues' glamor, have appeared somewhat neglected by the markets of recent months.

Let's face it — chemicals were not the darlings of the 1954 market. Aircrafts, many of which zoomed ahead by 125% to 175%; cements, which moved up above 75% on the average; steels, which did well, and more recently the coppers—all these have out-oomphed the chemicals in the stock symphony concerts of recent seasons. Why should this have been? Surely not because chemicals have lost their glamor; because they haven't. Not because their gross has suffered heavy slippage, because it hasn't. Not because cash dividends have been reduced; because they haven't. If we were to pick out three reasons for the relatively subdued market accent on chemicals, they would be (1) an excess of romanticising about them in the 1946-51 period, driving equities to unreal price-earnings ratios; (2) a phenomenal postwar expansion of plant capacity; and (3) correction of excess production capacity, in certain areas, by price reductions.

Ira U. Cobleigh

Even with the moderating influences delineated above, the average listed chemical common managed to pick up 20% to 25% from low point in market price in 1954, and assuming higher percentages of plant operation in 1955 (and, of course, the benefits from end of EPT) this year should tell a happier story for many of the lab leaders, as well as the up and comers.

Nineteen fifty-three was a record year. Following it, 1954 became a season of assimilation and adjustment; so much so that sales of most of the eight recognized leaders slipped back, and every one of the eight showed lower pre-tax earnings. 1955, carrying forward with an uptrend perceptible as early as last August, should produce a resurgence of earning power generally, and, for one of two, a quite dramatic payoff on the millions dedicated in recent years to plant investment.

Today's review will make no attempt at extensive coverage of any particular company, but will rather present a few random field notes about several—their products and probable profitability.

Let's start off with duPont. Fact is many people stop right there; for thousands of individuals it is their only representation in the chemical industry and duPont appears in the portfolio of the vast majority of investment trust and insurance portfolios. For 1954, duPont dropped back about 4% in sales (to $1688 million) but, buttressed by $2.03 from General Motors, plus the demise of EPT, per share came up to $7.33, permitting a $5.50 dividend. For this year, look for improved performance in Dacron and Orlon, nylon and cellophane; and better results in plastics, dyes and explosives which flagged in 1954. Our 1955 crystal ball here sees a lot of 8's—sales of $1780 million, earnings $7.80 per share (including G. M. dividend), and the stock across 180, and dividends $5.80.

What about Allied Chemical, another test tube titan with sales above half a billion since 1952. Allied has been doing quite a lot in the way of plant expansion. To be more specific, some $100 million has been deployed here; and 20 new plants were inducted into service in 1954. These include a new nitrogen plant in Omaha and a plant to make a strange sounding something called caprolactam, used for nylon.

One earnings statement effect of all this outlay is to jack up depreciation charges to among the highest in the business—around $32 million in 1954 and at least $39 million ($4.75 per share) for 1955. Some benefits from these vast new facilities should appear this year, but the big forward swing in earning power may not be revealed, in full flower, until 1956. Earnings above $5 a share seem quite predictable for this year; and shareholders in Allied Chemical can view their enterprise today (as they've been doing for 30 years) as an authentic member of the corporate elite.

What shall we say of Union Carbide, classy chemical, number one purveyor of basic plastic materials to America, and alloy ally to the steel industry? 1954 performance here was disappointing—much below capacity steel operations moving the alloy division sales downward; and the entry and expansion of many stout competitors into polyethylene generated a downward price trend in that substance. Union actually reported the greatest dip in net for 1954 of any of the top eight, $3.10 per share against $3.55 for 1953. But Union Carbide can, and probably will, execute a sharp turn-about this year. All that is required is for sales again to pass the billion dollar level (as in 1953) and if that occurs you can quite easily predict a net of beyond $4 a share. Such an improvement is by no means incredible; and earnings from titanium and hydrogenation of coal lie in the longer future. Union Carbide has been recently confined to a quite narrow trading zone between 80 and 86. Such confinement is not permanent.

American Cyanamid, a decidedly spectacular market performer in other years, especially when it pioneered in broad spectrum antibiotics, has been in a quiet mood recently. Some competition in aureomycin and tetracydine, especially from such worthies as Olin Mathieson (Squibb division) and Upjohn, has clouded earnings outlook from this division. But, on the record American Cyanamid has majored in research, and it may well be that this excellent and rounded company can again rocket to heights on the strength of a new wonder drug, or a new therapeutic chemical to overcome a major malady of mankind. Those casually viewing Cyanamid common, wavering around the 50 level, should thumb back through the postwar performance record of this sparkling equity. This company is not of the sort to stop growing.

Dow is another of the big chemicals (1954 gross $428 million) that has seemed to be treading water, earnings-wise—showing $1.42 in 1954 against $1.58 for 1953 (fiscal year ends 5/31). A truly king size expansion program here ($338 million in total for the four fiscal years ending 4/31/55) sets the stage for a dramatic turn in earnings at some future point. Right now, however, Dow needs an expansion in sales that can keep a high percentage operating level in all this new plant. When Dow joins the half billion club (in sales), which seems a reasonable target for 1956, then annual depreciation and amortization charges like the present $75 million bite, won't be so heavy an obstacle to expansion in net. Dow increased sales by 230% between 1946 and 1951 and its whole history demonstrates a growth rate, unusual even among chemicals. Dow has always more than kept up with the Jones!

Olin Mathieson, and Commercial Solvents were briefly reviewed in this column last Sept. 23. Olin acts well, earns well, and pays well. Its urge to merge has paid off, and pleased the shareholders. At around 52, it's not hard for this company's common to make friends. Commercial Solvents looks better now than six months ago and its shares are in a popular market price range; and the cash yield is better than in many chemicals.

Blockson Chemical, a relative newcomer, now does a gross business above $30 million a year and has specialized in synthetic detergents. Blockson alone produces over 20% of U. S. consumption of sodium tripolyphosphate, basic element in detergents. Blockson now turns out most of its production from plant capacity built since the war, and combines unusually efficient plant operation with low cost transport, bringing phosphate rock and sulphur up the Mississippi from the Gulf to Joliet, Ill., in barges. Blockson has also developed a process for recovery of uranium from phosphate rock. Blockson seems to be an up and coming company, expanding into various profitable lines. Common is listed, sells around 35, and pays $1.40. It's a copy book model growth stock.

Another chemical with an upswung sales curve is Harshaw Chemical of Cleveland, which moved its gross from $43 million in 1952 to $53 million in 1954. Harshaw common sells about 46 over-the-counter, around 12 times earnings, which is a very low ratio for a chemical. Management is excellent, and there is some possibility the shares may be listed.

We wish we had more time for a dozen other company comments. That's the trouble with chemicals. They're so broad, so diverse you need a book instead of a column to tell about 'em. Even though most of the big outfits showed little forward motion last year, and some overcapacity is evident, don't forget that brilliant research is always in progress in this industry. The next resin, detergent, antibiotic or synthetic, due any day, may start another chemical comet on its way.

New Series of High Temperature Lubricants Developed by Chemists

Greatest use will be found in tomorrow's faster jet planes and new high temperature electric motors and generators, according to Harold Ravner, of the Naval Research Laboratory.

Development of a new series of high temperature lubricants — needed by tomorrow's faster jet planes—was announced by Harold Ravner, a physical chemist of the Naval Research Laboratory, Washington, D. C., at the 127th national meeting of the American Chemical Society, on April 6 in Cincinnati, Ohio.

The new fluorine - containing synthetic oils, which are not decomposed by temperatures as high as 500 degrees Fahrenheit, should find application in aircraft gas turbine engines and new high temperature electric motors and generators. Mr. Ravner told the Society's Division of Petroleum Chemistry that the lubricants may also be useful for submarines because they are heavier than sea water and therefore would not form an oil slick on the surface of the water to reveal the presence of a submerged submarine.

The synthetic lubricants equal petroleum oils in lubricating ability and are much more resistent to the deteriorating action of oxygen at high temperatures, reported Mr. Ravner, who is head of the oxidative studies unit in the Laboratory's Surface Chemistry Branch. The new compounds are known as diesters of fluoroalcohols, he explained, and they withstand high temperatures because of the fluorine atoms attached to the ends of the molecular chains. He said they may also find use in hydraulic systems.

The fluorine-containing diesters are less susceptible to fire and explosion hazards than are petroleum oils, the chemist noted, adding:

"Many of the diesters of fluoroalcohols have spontaneous ignition temperatures ranging from 850 degrees to more than 1,000 degrees Fahrenheit. . . . Mists of such compounds, with fluorine contents of more than 55%, are not explosive in pure oxygen at 200 degrees.

"In general, esters of fluoroalcohols and dibasic acids are remarkably resistant to oxidation as compared with conventional oils. Laboratory tests reveal that certain such substances undergo no deleterious changes when aerated at 400 degrees. Other diesters containing less fluorine show degradative changes under such conditions. Diesters of fluoroalcohols are thermally stable at 500 degrees.

"Preliminary friction and wear tests indicate that fluoroalcohol diesters are comparable to petroleum oils in lubricating ability. Although the heaviness of these esters at low temperatures may limit their use in aircraft hydraulic systems, they may well find use on shipboard and in industrial installations where low-temperature requirements are not so stringent, but high temperature stability is a requisite. Preliminary tests indicate that these synthetic oils cause little attack on rubber.

"Greases based on the fluorine-containing esters have been prepared. Experience to date indicates their usefulness in anti-friction bearings operating at high temperatures."

C. M. Henderson and C. M. Murphy were co-authors of Mr. Ravner's paper.

To Hear C. B. Shuman

CHICAGO, Ill. — Charles B. Shuman, President of the American Farm Bureau Federation, will address members of La Salle Street Women, their employers and guests at a "Bosses Night" Dinner Meeting on Wednesday, April 13 at the Chicago Bar Association. The subject of his talk will be "Agriculture in the Financial World."

Mr. Shuman has been President of the American Farm Bureau Federation since December of last year prior to which time he served as President of the Illinois Agricultural Association since 1945 and Director of that association since 1941.

Now With Ball, Burge

(Special to THE FINANCIAL CHRONICLE)

DAYTON, Ohio — Edward W. Sampson is now with Ball, Burge & Kraus, 120 West Second Street.

The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

Total industrial output for the nation-at-large in the period ended on Wednesday of last week was reported unchanged from the level of the preceding week, but approximately 9% above the level of a year ago.

Steel capacity output last week attained an actual figure of 94.4% and in the automotive industry the two-millionth passenger car built in 1955 was assembled on Monday of the same week. Last year's comparable vehicle did not issue from the assembly lines until the week ended May 8. By that date this year more than 3,000,000 cars will probably have been produced.

Reporting on the condition of inventories held by durable goods manufacturers the United States Department of Commerce last week observed that they remained steady in February for the fifth month in a row. This report supplied official evidence that no piling-up of stocks accompanied the big bulge in industrial production that got under way last fall. A spot check with manufacturers around the country also indicated no substantial inventory-building took place in March—despite some increase to handle expanding business. The government figures placed end-of-February stocks of durable goods producers at $24,500,000,000. Last September, after a long slide, they stood at $24,100,000,000.

A rise in employment will occur in most industrial centers during the next six weeks, the United States Department of Labor reported, and added that employers in 90% of the big labor markets plan to increase their working forces by mid-May. Hiring schedules indicate the auto and steel industries will set the pace for the spring manufacturing up-trend. Slight-to-moderate employment gains in the next few months were also anticipateted in electrical equipment, furniture, aircraft and farm machinery lines.

The number of idle workers drawing unemployment compensation during the week ended March 19 dropped 65,800 to 1,655,300, the United States Department of Labor reported.

Compared with the like week a year ago the total was 2,176,200.

The department's Bureau of Labor Security attributed the week-to-week drop mostly to a seasonal pickup in the lumber, construction, logging and other outdoor industries.

In the week ended March 26 new claims of idle workers for jobless pay totaled 210,700, up a scant 800 from the week before, the bureau stated. In the like week a year ago, there were 292,700 new claims for compensation.

In the steel industry this week the mills are hard pressed to maintain delivery promises. Carry-overs on some products already are running three weeks to a month behind and a midwestern producer is accepting no orders for sheets for July delivery because he needs time to get his schedules straightened out, states "The Iron Age," national metalworking weekly.

There may be some relief during the summer, it adds, but not much. Where one industry eases, another will take up the slack. Plant vacation shutdowns will be held to a minimum. Metalworking firms are too busy to take extra time off. Last year, vacation closings contributed to the decline in steel demand.

Even a strike in the automotive industry, which seems unlikely, would not hurt steel production much. Other industries will absorb the freed tonnage, if any. Besides, continues this trade paper, some car producers would accept delivery during a strike-incurred shutdown. They are thinking ahead to requirements for new models which will go into production in third and fourth quarters.

In the automotive industry domestic new car dealers sold an estimated 710,000 cars in March to top any month in history, "Ward's Automotive Reports," stated on Friday of last week.

The milestone came as production records continued to fall at the nation's auto plants. March reached an all-time monthly peak of 790,200 car completions pushing the first-quarter to a sizzling 2,125,612, the first time 2,000,000 cars were built in any three-month period, it noted.

"Ward's" said the March sales compared with 560,000 in February and only 493,000 during March last year. The all-time

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Observations . . .

By A. WILFRED MAY

THE NEED FOR MARKET EDUCATION —AT ALL LEVELS

Whether or not "liberal" Senators Humphrey and Morse are justified in their gripe at the New York Stock Exchange for allegedly roping the public into the "wicked" market to mend political fences, the need for fact-educating the lay community is a Number One Must.

A. Wilfred May

For example the comprehensive opinion survey begun by the New York Stock Exchange and recently released in a new report, "The Public Speaks to the Exchange Community," shows the laymen still to be amazingly ignorant of elementary market facts — despite the speculative surroundings that seem to be worrying so many today.

This new Gallup Poll of the investing world has found that 39% of those owning common stock have no reasonably adequate conception of the nature of their possession, and this preponderance of ignorance rose to 81% among those potential but presently non-owners of stock. In sum, just 23% of our adult population has any idea what common stock is.

Six out of 10 of our adult population believe that the Stock Exchange owns the stocks listed thereon.

In the face of the voluminous advertising by brokers via press and airwaves, the many branch offices, and even cross-country caravans, still "half the adult population doesn't know the location of a broker's office."

Convenient Immunity to Taxes

Despite the constant hullabaloo about the tax devil—by the beefing shareholder as well as his numerous articulate protagonists —actually some 49% of shareowners and 65% of non-shareowners are unaware of the possible effect of taxes on their investments.

A full third of the non-shareholders interviewed were unable to state any advantages at all of common stock investment; and of those who could, the majority put primary emphasis on "quick profits."

Asked about commissions, 45% of all the respondents said they "don't know," while the rest for the most part overestimated the charge.

Whether or not one's premise is that the Stock Exchange is a den of iniquity, or just a plain gambling den, it is evident that *some* agency must feed a dose of education to the citizenry.

* * * * * *

That "Scarcity" Factor

On a more technical level—to us one of the most surprising phenomena of the late (?) Fulbright proceedings was the recurrent assumed and unchallenged premise of scarcity of supply of stocks; with the bland assumption of the need for increasing the reservoir as a brake on the price level.

With all the "educating" going on, no one deigned to point out the simple fact that this attitude has recurrently represented merely a bull market foible. Strikingly confirming our cynical conviction is the following representative expression by a leading commentator, Walter K. Gutman, culled from our 1949 bear market file:

"Individual Income and the Prices of Stocks"

"Over the week-end we studied statistics of individual income for 1949. This is the most recent year for which tax returns have been broken down in detail. The conclusions of this writer were not too hopeful. Glancing at the figures the thought was inescapable that relatively few people have the income required to be actively interested in securities.

"It isn't until you get considerably up the scale that you come across really big power to put new money into stocks. Even those whose incomes ranged from $100,000 to $150,000 a year before taxes, probably had only moderate new investment power, after taxes and all other expenses—perhaps $10,000 a year. There were 8,028 such people, their total new investment power may have been $80 million a year—not a great deal, when you think that the total market value of issues listed on the New York Stock Exchange alone is $100 billion. There were 7,294 people with adjusted gross incomes in excess of $150,000. Four of these had incomes in excess of $5 million, so much in excess that even after taxes their average net income was over $5 million. These four really had formidable power to buy common stocks. The super-group of 7,000 had only an average income after taxes of $107,000. If they invested $25,000 each that would probably be a lot. This would total $175 million.

"The analysis of the 1949 income figures indicates in short that we cannot expect a wide bull market at the present level of the market unless money flows in from other sources. There are undoubtedly more people with substantial fortunes than with substantial incomes. For instance, those who have fortunes of $200,000 may well have incomes of less than $10,000. A shift in the disposition of their bank accounts and bonds to stocks or vice versa could radically affect stock prices. But we cannot expect sustained bull markets from this."

Back to "Under-Supply"

In the intervening two years since this was written, the public's concern characteristically has again veered from "under-demand" to the opposite extreme of concentrating on the *supply* factor.

So we really find ourselves still faced with the question of whether the bull market stems from supply or demand factors.

Even if this is too tough a one to answer, we can at least retain our faith in the ideal of the free market!

Griswold Director

Benjamin H. Griswold III, partner of Alex. Brown & Sons, has been elected a director of Bigelow-Sanford Carpet Company, Inc., James D. Wise, President, announced today.

B. H. Griswold, III

Mr. Griswold is a director of Olin Mathieson Chemical Corporation, The A. S. Abell Company, Fidelity and Deposit Company of Maryland, American Bonding Company, Baltimore Life Insurance Company, others. He is a Governor of the New York Stock Exchange, a trustee of John Hopkins University.

Lehman Brothers Announce Appoint'mts.

Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange, announce that Edward W. Schoenhof has been appointed Director of Retail Sales and Ezra M. Chesky has been appointed Assistant Sales Manager. Mr. Schoenhof has been with the firm since 1940 and Mr. Chesky started in 1933.

Malcolm Rogers Now With Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Malcolm A. Rogers has become associated with Walston & Co., 265 Montgomery Street, members of the New York and San Francisco Stock Exchanges. Mr. Rogers was formerly an officer of the First California Company.

Walter W. Patty has also been added to the firm's staff.

1955 Will Be a Good Export Year

By H. HAROLD WHITMAN*

Vice-President, First National City Bank of New York

Mr. Whitman gives reasons for expecting 1955 to be a good export year as: (1) foreign countries will earn and receive more dollars; (2) dollar reserves are still rising, and (3) increasing prosperity in Western Europe will increase demand for our goods. Gives data on trade outlook in principal world areas, and concludes there may be an increase of from 5% to 10% in U. S. exports in current year, compared with 1954.

It would be nice, in addressing a gathering like this, if I could dispense with notes of caution and with qualifications and predict that our trade will set new records in 1955. Unfortunately, we still face too many problems for me to go as far as that. But I can say that according to the best indications we now have, our export total should be very satisfactory this year. 1954 turned out unexpectedly good and there is a very good chance that 1955 will be still better. Last year our commercial exports, excluding military aid, came to $12.8 billion. This year—if one can hazard a guess—they might well reach $13 billion, a figure which was exceeded only in the reconstruction year of 1947 and in the Korean War Years of 1951 and 1952.

H. Harold Whitman

General Observations

If I had to give my reasons for expecting good exports this year—and I suspect that you would like to know those reasons—there are three basic ones that I would stress. *First*, foreign countries are likely to earn or receive more dollars from us this year than last. *Second*, their reserves have been built up to new high levels and are still on the rise. (Both of these factors mean that people abroad have more dollars to spend.) *Third*, the record-breaking rate of business and industrial activity abroad, especially in most countries of Western Europe, has upped their demand for all sorts of goods and has increased their tendency to spend dollars rather than save them, now that some of the pressure to build up reserves has been relaxed.

Let us look at these points one by one. *First*, the question of increased dollar supplies in 1955. The point here is that our commercial imports, which are the biggest source of dollars for foreign countries, will probably increase, perhaps by $300 million or even more. 1955 has started off on a more optimistic note than 1954 as far as our domestic economy is concerned; we expect an increase in business and construction activity, and imports will be needed not only for expanded current use but also for rebuilding inventories, which in many cases have been cut quite low. Foreign countries are also likely to get more dollars through non-trade transactions than they did last year. For instance, foreign shipping companies should earn more dollars as a result of rising cargo rates and extensive shipbuilding abroad. Also, if travel bookings to date are any indication, spending abroad by U. S. tourists is going to set another new record this year.

The amount of dollars made available by the outflow of U. S. capital is always more difficult to predict. On the long-term side, it is to be hoped that American firms will find enough attractive opportunities for development of new industries abroad, to make the investment figure in 1955 compare favorably with last year. Then the World Bank and Eximbank are both expected to expand their activities—even though the volume of their loans so far this year has not been appreciably greater. In 1954, some foreign countries were able to borrow moderate amounts in the New York money market and it is possible that others may do so this year.

As to outlays by the U. S. Government, which have been one of the chief sources of dollars for foreign countries in recent years, they will probably be lower, but not by any great amount. Economic aid is gradually contracting, but this may be partly offset by larger cash spending under the military aid program. Our direct shipments of military goods abroad, of course, do not make any dollars available, but orders under the offshore procurement program do, and it is reported that more and more of the arms ordered abroad under this program are reaching the delivery stage. In addition, our troop expenditures abroad are still large.

The *second factor* that I have mentioned as favoring higher U. S. exports in 1955 is the increase in gold and dollar reserves outside the United States. The situation varies from country to country, but the fact remains that total foreign gold and dollar assets reached a new record level of around $25 billion at the end of 1954, which is nearly $2 billion higher than a year earlier and $10 billion more than at the time of the general currency devaluation of 1949. A significant development last year was that less gold was hoarded in the Middle and Far East than in any other postwar year, and that some gold was actually dishoarded in France.

Actually, the overall increase in foreign reserves last year was smaller than in 1953—$2 billion or so against $2.6 billion—but this should not be taken as a sign of weakness. It was in large part a matter of deliberate choice on the part of the foreign countries, and a sign of definite strength. With their reserves more comfortable, a long list of countries, as you know, relaxed their restrictions on imports of dollar goods and other dollar payments last year — Great Britain, West Germany, the Netherlands, Belgium, Italy, Sweden, and South Africa, to name some of the most important.

This should not have come as a surprise. In the last few years the European countries have been hastily criticized for supposedly hoarding their dollars rather than spending them for U. S. goods; but I think it has been clear all along, and is even clearer now, that the reserve build-up had to be accomplished before imports could be liberalized. Now, with assets to fall back on, these countries can import more freely without having their positions threatened by every normal trade fluctuation.

Improved reserves permitted France and the Netherlands recently to repay some of their long-term debts in advance of maturity. In addition, Great Britain and France repaid part of their indebtedness to the International Monetary Fund and in analyzing the reserve position of foreign countries, we should of course consider not only that their assets have increased, but also that their debts have decreased. Foreign countries will probably continue to add to their reserves in 1955, especially in view of the prospect that they will have more dollars supplied to them, but I suspect that the rate of accumulation will slow down further.

The principal reason for this slowing down is the *third factor* that I mentioned as making for better export business in 1955; namely, the rate of business and industrial activity abroad. In 1954, this has been at a record high, not only in many Western European countries, but also in some of the African and Middle Eastern countries that trade mainly with Europe. To support this boom and to satisfy consumer demands that stem from growing purchasing power, all of these countries have been importing increasing quantities of raw materials, foodstuffs, and investment goods.

This has certainly been a boon to American exporters. But one of the questions that must be uppermost in many of your minds is whether this high rate of purchases can be expected to continue. In this connection, the British situation has introduced a note of caution into everyone's thinking, for in February Britain's imports ran at a high rate and the reserves were drawn down by $82 million. Recently, the Bank of England raised the discount rate

Continued on page 29

*An address by Mr. Whitman at the 35th Annual Convention of the Export Managers Club of New York, Inc., New York City, March 15, 1955.

From Washington Ahead of the News

By CARLISLE BARGERON

Thomas L. Stokes, the syndicated columnist and a close friend for many years, although our political views are as far apart as the poles, wrote a week or so ago, apropos of the death of the Negro leader, Walter White, of an episode in his childhood which had done much to mould his viewpoint throughout his life. Stokes is very much of a "liberal," particularly in the matter of racial relations.

Carlisle Bargeron

He told of his friendship for White which began when they were both barefoot kids and which grew out of a race riot in their home town of Atlanta, Ga., back in 1906.

I remember this affair, which occurred when I was about 11 years old and living in Macon, Ga., about 90 miles away. I tell this story because it illustrates how an event can leave two entirely different imprints upon impressionable young minds.

I had been avidly reading for several days about the rioting, the same as I used in those days to read about a good murder trial, the killing of Stanford White by Harry K. Thaw, the killing by Actress Nan Patterson of some other fellow.

So it was with considerable excitement that I responded to my father's invitation to accompany him on a trip to Atlanta at the height of the disorder. It was one of the first great disappointments of my life that when I got to Atlanta I could see nothing unusual going on. The newspapers assured me that plenty was going on, that the military had been called out and that disorder was riding high, but I didn't see any of it. Everywhere so far as I could see business was proceeding as usual.

So I grew up as a "conservative" and Stokes grew up as a "liberal." My boyhood impression, interesting in view of my subsequently adopting newspaper work as a career, was that things are never as bad as depicted in the newspapers.

Manifestly opposed to my interest, I was to become more persuaded in this belief when after I had grown to manhood and become a full-fledged newspaperman I was sent on an assignment to Panama. In those days it was a two-day flight from Miami to Colon. Leaving Kingston, Jamaica, on the second day we made a land fall at Barranquilla, Colombia, south of Colon, and then flew up the coast. At Barranquilla an American employee of an oil company boarded the plane and we became friends.

When we landed at Colon we decided to go to a movie. As we walked down the street he was stopped two or three times by acquaintances and they held whispered conversations. I finally asked him what he was doing so much whispering about. He informed me gravely that we were in the midst of a revolution. I bought a newspaper and sure enough there were the headlines about a revolution. I could see not the slightest disorder.

This brings me to the theme of this article and that is my reluctant conviction that there wouldn't be so much trouble in international affairs, so many crises, so much confusion if there were not so many newspapermen in Washington. There are more than a thousand of them; that is, newspapermen and radio reporters and commentators.

Our high public officials, the President, his Cabinet officials, his military chieftains, all feel beholdened to conduct press conferences periodically and it seems that the journalistic corps is of a single mind in asking questions that make for international conflict.

"Mr. President, do you intend to defend Quemoy and Matsu?

"Mr. President, do you intend to drop atomic bombs?

"Mr. President, do you think the Communists can be trusted?

"Mr. President," and so on and on.

Senator Knowland has made a belligerent statement. "Does the President agree with him? If not, why not? Does the President agree with a speech by his Secretary of State, with views reputed to be held by his Chief of Staff? Does the President agree with Chairman Strauss of the Atomic Energy Commission that this country is ahead of the atomic race? Then does this mean that we are prepared to launch an atomic war? If we drop atomic bombs won't this bring Russia into the war?"

This sort of stuff goes on endlessly. The journalists appear to have lost interest in matters relating to domestic affairs.

Some of the more enterprising correspondents, tired of the horde which attends the regular press conferences, have taken to organizing smaller groups of 10 or 12 by which an important official is invited to dinner to take his hair down and talk "off the record." From these meetings invariably come a sensational, unattributed story, "from a high ranking informant" that Communist China is expected to move on Quemoy and Matsu on April 15.

The sameness of the story in 10 or 12 newspapers makes it clear to the other newspapermen what has occurred and they set out to establish the identity of the "high ranking informant." This is never difficult and then there is the hullabaloo over the incident. Congressional committees demand that the "high ranking informant," now fully disclosed, appear and tell on what he bases his judgment. At the next Presidential conference, the President is pressed as to whether he agrees with the "high ranking informant," if not whether he intends to reprimand him. It all makes for headlines but not necessarily, for improved international relations.

Business in 1955—and 1965

By GORDON W. McKINLEY*
Director of Economic Research
Prudential Insurance Co. of America

Dr. McKinley makes some interesting prognostications regarding the economy in 1965 and its relation to the savings and loan industry and, with respect to the immediate outlook, he finds that government spending, both Federal and local, will increase $2 billion over 1954, and, because of cessation of inventory liquidation, production will increase leading to a rise of $4 billion in business activity. Looks for an increase in new capital expenditures in current year and a peak in new housing construction. Estimates Gross National Product in 1955 at $374 billion, indicating more prosperous year than any in past.

I want to divide my remarks today into three parts:

First, What will be the main dimensions of the U. S. economy and the savings and loan industry ten years from now, in the year 1965?

Gordon W. McKinley

Second, What have been the main causes of the business adjustment during the past year?

Third, What is the outlook for business in general, and the savings and loan industry in particular during the coming year?

No one knows whether the year 1965 will prove to be a boom year or a recession year. It is impossible to predict accurately the level of business activity for more than a year or a year and a half in advance. This does not mean, however, that there is no use in making long-term estimates of the likely dimensions of the U. S. economy or of some particular industry in the U. S. American businessmen are interested in planning for the many prosperous years in our future, rather than for the occasional recession year which we undoubtedly will experience. For this reason, long-term forecasts should be prepared *on the assumption* of reasonably prosperous business conditions. That is, the forecasts are not predictions of whether, in any given year, we will be prosperous. They are predictions of the dimensions of the economy *if* we are prosperous.

Because economists prepare long-term forecasts on the assumption of prosperity, it should not be concluded that they are all hopeless optimists. Economists realize that there will be recessions in the future as there have been in the past. But they also realize that business management has the practical problem of planning the future development of the business concern. Without long-range plans, the business concern either drifts aimlessly, or shifts its course erratically with every new business wind, often ending up hopelessly whipsawed by the erratic nature of the year-to-year economic atmosphere. If, on the other hand, long-range plans are to be laid, management must choose between plans based on the assumption of future depression, or on the assumption of future prosperity. Most businessmen, I think, will go along with those economists who believe that long-range plans should be based on the assumption of a reasonably prosperous economy. On this assumption, what are likely to be the dimensions of the U. S. economy in 1965?

Some Predictions as to 1965

The gross national product of the United States last year totaled $357 billion. In 1965, it will be in the neighborhood of $540 billion. In other words, the value of all goods and services produced in the United States in 1965 will probably be 50% greater than at present. Such a rise seems impossible until we think back to the fact that in 1939 the GNP was only $91 billion.

In 1965, the population of the United States will number about 190 million — an increase of 26 million persons over the present population. The size of this increase in the market for our products is staggering. The question of excess productive capacity takes on quite a different aspect when we realize that we must increase our output more than 20% over present levels just to supply the increase in our population with no allowance for any improvement in standard of living.

The civilian labor force in 1965 will rise to 77 million, 12 million above our present labor force. The average workweek will be about three hours shorter than at present. Despite this reduction in working hours, the increase in our working population, along with rising productivity, will produce a total personal income in 1965 of about $420 billion, compared to $290 billion at present.

To give you some idea of what this would mean to individual incomes, you might note that at present average family income is about $5,500 a year. In 1965, this will rise to $7,000 a year, an increase of more than 25% above present income levels.

The economy of 1965 will require business expenditures on plant and equipment of about $55 billion a year, compared to $36 billion at present. Home building will be just entering in 1965 a record production era, reflecting the fact that the high birth rates immediately following World War II will result in high marriage and birth rates beginning in 1965. The construction industry as a whole will be booming, spurred on not only by the large volume of housing starts, but by the tremendous needs for roads, hospitals, municipal buildings, suburban shopping centers, and school construction. The probable changes in technology, in sources of power, in variety and quality of consumer products are too numerous and too sweeping to be more than hinted at today.

In this economy of the future, what is likely to be the place of the savings and loan industry? Some idea of the development of this industry in the coming decade can be gained from a look at what has happened during the postwar period. In 1946, the total assets of savings and loan associations in the United States amounted to just over $10 billion. They now exceed $31 billion. In 1946, total mortgage holdings were just over $7 billion. Today, they are about $26 billion. In 1946, savings capital totaled about $8.5 billion. At the end of 1954, it exceeded $27 billion. The savings and loan industry has grown so rapidly in the postwar period that assets are now over 300%, savings capital is over 300%, and mortgage holdings are over 365% of the level existing only eight years ago. During this same period there has been a small *decline* in the number of associations, so that the growth of the average association in the U. S. has actually been slightly greater than the percentage increases I have cited for the industry as a whole.

These dramatic increases have resulted partly from the growth in the entire economy, but they have also been made possible by an increasing awareness of the safety, the convenience, and the generous interest rates provided by savings and loan associations. Since immediately after World War II, total personal income in the United States has risen about 60%. Savings of the American people have gone up about 100%. But savings through savings and loan associations have risen over 200%! I am sure it is unnecessary for me to tell you that no other type of savings institution has shown so rapid a percentage growth during this postwar period as have your associations.

Outlook for Future Savings and Loans

The growth of the savings and loan industry in the past decade has been rapid. But even with this advance behind you, it is difficult to fully comprehend the likely size of your industry in 1965. If my projections of the U. S. economy turn out to be correct, the savings and loan industry is likely to have grown to a $75 billion industry by 1965. As a means of reducing this figure to more familiar terms, you might note that, if your association just keeps up with the industry as a whole, you can expect to slightly more than double in size during the next decade.

Although this is a tremendous increase—and should set you to thinking about your needs in terms of building, personnel, and a more efficient operation — you have perhaps observed that the increase expected for the next decade is considerably less than that actually experienced during the postwar period. There are a number of reasons for expecting a somewhat more moderate advance in the future. In the first place, the economy itself will not grow as rapidly in dollar terms as it has in recent years. The principal reasons for this more moderate rate of growth are: (a) Population during the next ten years will not grow at a rate quite as rapid as in the postwar period,

Continued on page 36

*An address by Dr. McKinley before the Annual Conference of the American Savings and Loan Institute, New York City, March 23, 1955.

Dealer-Broker Investment Recommendations & Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Air Line Industry — With particular reference to **American Airlines, Eastern Air Lines, United Air Lines**—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

Canadian Letter—Fortnightly review of the Canadian Securities Market—Newling & Co., 21 West 44th Street, New York 36, N. Y.

Investment Opportunities in Japan—Circular—Yamaichi Securities Co., Ltd., 111 Broadway, New York 7, N. Y.

Japanese Shipping Industry—Analysis in "Monthly Stock Digest"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Nebraska Municipal Subdivisions — Statistical information — Wachob-Bender Corporation, 212 South 17th Street, Omaha, Neb.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Philadelphia Bank Stocks—Comparison of 11 largest Philadelphia Banks—Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Public Utility Common Stocks—Comparative tabulation—G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, N. Y.

Roadbuilding Program—Analysis—J. A. Hogle & Co., 50 Broadway, New York 4, N. Y. Also in the same bulletin are data on **Allis-Chalmers Manufacturing Co., Caterpillar Tractor Co.** and **Clark Equipment Co.**

Selected Stocks—45 stocks attractively priced to earnings listed in current issue of "Securities Review"—Orvis Brothers & Co., 14 Wall Street, New York 5, N. Y. Also in the same issue are brief writeups on **Chesapeake and Ohio Railway** and **Standard Oil of Ohio.**

Uranium Observations — Discussion — in current issue of "Gleanings"—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue are portfolios of "Laggard Stocks."

What Atomic Energy Is and How It Is Applied—4-color sheet with listing of 100 atomic stocks—Atomic Development Securities Co., 1033 Thirtieth Street, N. W., Washington 7, D. C.

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Aluminium Limited—Booklet—A. E. Ames & Co., Incorporated, 2 Wall Street, New York 5, N. Y. Also available is a study of Canadian companies engaged in the **Pulp and Paper Industry.**

American Metal Products Co.—Report—Cohu & Co., 1 Wall Street, New York 5, N. Y.

American Potash & Chemical—Analysis—H. Hentz & Co., 60 Beaver Street, New York 4, N. Y. Also available is a bulletin on **Middle States Petroleum** and **Texas Pacific Coal & Oil.**

Bethlehem Steel Corp.—Memorandum—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Bonanza Oil & Mine—Report—L. D. Friedman & Co., Inc., 52 Broadway, New York 4, N. Y.

Braniff Airways, Inc.—Bulletin ($2.00 per copy)—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Canadian Oil Companies, Limited—Analysis—Nesbitt, Thomson and Company, Limited, 355 St. James Street, West, Montreal, Que., Canada.

Chesapeake Industries, Inc.—Analysis—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Christiana Securities Co.—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Chrysler Corp.—Memorandum—Hayden, Stone & Co., 25 Broad Street, New York 5, N. Y.

Delaware & Hudson — Report — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Detroit Steel Corporation—Annual report—R. A. Yoder, Secretary-Treasurer, Detroit Steel Corporation, Box 4308 Porter Station, Detroit 9, Mich.

Drewrys Limited U. S. A. Inc.—Annual report—Gartley & Associates, Inc., 68 William Street, New York 5, N. Y.

Eaton Manufacturing—Data—du Pont Homsey & Company, 31 Milk Street, Boston 9, Mass. Also available are data on **Ekco Products Co.** and **Fairbanks Morse.**

Edgemont Mining & Uranium Corp.—Report—Capper & Co., 80 Broad Street, New York 4, N. Y. Also available is a report on **Sodak Uranium and Mining Co. Inc.** and a map of the uranium area of the Black Hills and Powder Basin of South Dakota and Wyoming.

El Paso Natural Gas Company — Annual report — El Paso Natural Gas Company, El Paso, Texas.

Gulf Life Insurance Company—Analysis—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

Gulf Oil Corporation—Annual report—Secretary, Gulf Oil Corporation, Pittsburgh 30, Pa.

Hayes Industries, Inc.—Bulletin—DeWitt Conklin Organization, 100 Broadway, New York 5, N. Y.

Heywood Wakefield—Card memorandum—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

Holeproof Hosiery—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Koehring Company—Report—Loewi & Co., 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on **Emhart Manufacturing Company,** and **Louis Allis Company.**

Marshall Field & Company — Analytical brochure — Glore, Forgan & Co., 40 Wall Street, New York 5, N. Y.

National Supply — Report — Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

National Supply — Data — Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same issue are data on **California Electric Power, Raytheon Manufacturing** and **Charles Pfizer.**

New England Lime Company—Analysis—Dayton Haigney & Co., Inc., 75 Federal Street, Boston 10, Mass.

Noranda Mines Limited—Review—James Richardson & Sons, Royal Bank Building, Toronto 1, Ont., Canada and 173 Portage Avenue, East, Winnipeg, Man., Canada. Also available are suggested portfolios of Canadian stocks.

Peerless Cement Corporation — Analysis — R. C. O'Donnell & Company, Penobscot Building, Detroit 26, Mich.

Chas. Pfizer & Co., Inc.—Annual report—Controller, Dept. 18, Chas. Pfizer & Co., Inc., 11 Bartlett Street, Brooklyn 6, N. Y.

Pittston Company — Annual report — The Pittston Company, 250 Park Avenue, New York 17, N. Y.

Quebec Lithium Corporation—Analysis—Leason & Co., Inc., 39 South La Salle Street, Chicago 3, Ill.

Rainbow Production Corp.—Memorandum—Joseph, Mellen & Miller, Inc., Union Commerce Building, Cleveland 14, Ohio.

Remington Rand, Inc.-Sperry Corp. — Discussion — Oppenheimer, Vanden Broeck & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin are data on **Chicago, Milwaukee, St. Paul & Pacific Railroad Co., Briggs & Stratton Corp.** and **Manufacturers Trust Company.**

Ryan Consolidated Petroleum Corp.—Analysis—Filor, Bullard & Smyth, 39 Broadway, New York 6, N. Y.

Scott & Williams, Inc.—Bulletin—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.

Sonotone Corporation — Analysis — Harris, Upham & Co., 14 Wall Street, New York 5, N. Y.

Southwestern Electric Service Company — Analysis — Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Texam Oil & Gas Co.—Analysis—Shea & Co., Inc., 31 State Street, Boston 9, Mass.

United Utilities, Inc.—Memorandum—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y. Also available is a memorandum on **Washington Power Co.**

With King Merritt Co.

(Special to THE FINANCIAL CHRONICLE)

TARBORO, N. C. — Edward L. Forbes has become connected with King Merritt & Co., Inc.

Joins Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Geraldine W. Ligon has joined the staff of Merrill Lynch, Pierce, Fenner & Beane, Dixie Terminal Building. Miss Ligon was previously with Bache & Co.

L. A. Caunter Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Harry W. Kowalski is with L. A. Caunter & Co., Park Building.

Joins Dewar Staff

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Charles P. von Wrangell is with Dewar & Company, First National Building.

Francis I. Du Pont Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Arthur H. Stromberg has been added to the staff of Francis I. du Pont & Co., 317 Montgomery Street.

Goodbody Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CHARLOTTE, N. C.—Corey B. Sanderson has been added to the staff of Goodbody & Co., 217 South Church Street.

COMING EVENTS

In Investment Field

April 4-8, 1955 (Philadelphia, Pa.)
Institute of Investment Banking at University of Pennsylvania.

April 18, 1955 (Philadelphia, Pa.)
Investment Women's Club of Philadelphia dinner in the Regency Room, Barclay Hotel.

April 21, 1955 (New York City)
Association of Customers' Brokers anniversary dinner at the Sheraton Astor Hotel.

April 24-27, 1955 (Houston, Tex.)
Texas Group Investment Bankers Association spring meeting at the Shamrock Hotel.

Apr. 28-29, 1955 (St. Louis, Mo.)
St. Louis Municipal Dealers Group annual outing.

Apr. 29, 1955 (New York City)
Security Traders Association of New York annual Dinner at the Waldorf Astoria.

May 8-10, 1955 (New York City)
National Federation of Financial Analysts Societies at the Hotel Commodore.

May 13, 1955 (Baltimore, Md.)
Baltimore Security Traders Association Annual Spring Outing at the Country Club of Maryland.

May 18-21, 1955 (White Sulphur Springs)
Investment Bankers Association Spring meeting of Board of Governors.

May 26, 1955 (Columbus, O.)
Columbus Stock and Bond Club annual outing at the Brookside Country Club.

June 3, 1955 (New York City)
Bond Club of New York annual field day at the Sleepy Hollow Country Club, Scarborough, N. Y.

The Banking Outlook

By MARCUS NADLER*

Consulting Economist, The Hanover Bank, New York
Professor of Finance, New York University

Dr. Nadler, in stressing banking's future is closely interwoven with the nation's economy, estimates the probable trend of commercial bank loans and deposits in the coming year, and the impact of changes in these categories on interest rates. Maintains the banks can play an important role in preventing the present healthy recovery from developing into an unhealthy boom, and urges a careful and conservative policy toward real estate and security loans. Says banks should advise their customers to adopt a cautious attitude.

In spite of the numerous domestic problems confronting the economy of this country and those that may be created by international political developments, 1955 will be a good year for the commercial banks. Banking reflects, both in its loans and investments, the policies of business and of government. At the same time, however, the lending and investing policies of the commercial banks, as well as their general attitude with regard to the business outlook, have a pronounced influence on business activity.

Marcus Nadler

Loans

The total volume of loans during 1955 will, in all probability, be higher than during 1954, for the following reasons: (1) Business activity will be at a higher level, and this in turn will necessitate increased use of bank credit. (2) The economy is growing, the labor force and the population are expanding, and the general standard of living is rising. (3) Whereas in 1954 inventories were liquidated, with a resulting decline in the volume of loans, during 1955, and particularly during the first half of the year, accumulation of inventories will take place, necessitating additional borrowing. (4) Consumer credit will increase, not only for the purchase of automobiles but also for furnishing the large number of homes which will be completed during the year. (5) In the first half of the year there is bound to be an increase in the volume of mortgages and real estate loans. (6) Finally, it is quite possible that tax borrowing in the first half of the year will be larger than a year ago.

All these factors combined will bring about an increase in the demand for bank credit. This, in turn, assures that the prime rate will be maintained at least at the present rate of 3%.

Investments

During the first half of the year investments by banks will decrease. As a result of the change in the credit policies of the Reserve authorities, the total volume of free reserves has decreased considerably. If this trend should continue, banks will be forced to liquidate more short- and some medium-term government obligations and some of the banks may even be forced to increase their borrowing from the Reserve Banks. From present indications, a reversal in the credit policies of the Reserve authorities may be expected sometime during the second half of the year. This will lead to an increase in excess reserves and hence increased holdings of government and other high grade obligations by the commercial banks.

*Summary of an address by Dr. Nadler before the Florida Bankers Convention, Boca Raton, Fla., March 25, 1955.

Deposits

Deposits in 1955 will grow. A growing economy requires an increase in the means of payment. Wages and costs of production in general will continue to increase. The rise in the volume of loans in itself should be larger than the reduction in the amount of investments, leading to an increase in total deposits. Savings deposits will also continue to grow.

Earnings

Nineteen-fifty-five will be a good year from the point of view of earnings. A larger volume of loans and somewhat higher interest rates will contribute to larger earnings. In part, this will be counteracted by a continued increase in the costs of doing business as well as in the higher rate of interest paid to depositors. Taking all factors into account, however, net operating earnings after taxes should be somewhat larger.

The Trend of Interest Rates

The change in the credit policy of the Reserve authorities from one of active ease to one of mild restraint has already resulted in a moderate increase in short-term rates. Similarly, yields on medium- and long-term government obligations have tended to rise. This trend will continue so long as certain sectors of the economy are demonstrating pronounced exuberance as, for example, home construction, the equity market, and to a lesser extent consumer credit. Outside of these sectors, however, no inflationary pressures have developed. Moreover, it appears that a decline in automobile production will take place during the second half of the year. Hence, when activity in housing, the stock market and consumer credit tapers off, a reversal of the credit policies during the second half of the year is quite likely.

The credit and debt management policies of the Reserve and Treasury authorities are flexible and geared up to prevent inflationary and deflationary pressures in the economy. This, in turn, means fluctuating short- as well as long-term money rates. As was stated before, while the exuberance in building and in the equity market continues, the availability of bank credit is bound to decline and money rates are likely to increase. Once this over-optimism disappears, however, a decline in money rates and an increase in the availability of bank credit is to be expected. This situation will offer the banks a good opportunity to lay the foundation for security appreciation later on.

Conclusions

(1) The future of banking in the United States is closely interwoven with the economy of the country. While we have not reached the millenium, and considerable fluctuations in business activity are bound to take place, we know a great deal more about the causes of cyclical movements than we formerly did. Moreover, great efforts are being made both by government and private enterprise to reduce the gaps between the peaks and valleys of business activity.

(2) While the country is in the midst of a healthy recovery, a degree of over-optimism has developed in certain phases of the economy which must be checked to avoid more serious difficulties later on. The changed credit and debt management policies indicate that the Reserve authorities and the Treasury are fully aware of this need. The availability of bank credit has been somewhat reduced and money rates have witnessed a moderate increase. The offer by the Treasury of 3%, 40-year obligations was intended to siphon off capital which otherwise would have found an outlet in the building industry.

(3) The banks can play an important role in keeping the economy sound and in preventing the present healthy recovery from developing into an unhealthy boom which cannot be maintained. A more careful and conservative policy toward real estate and security loans would contribute to prevention of overbuilding and over-speculation, particularly by people who really have little or no knowledge about equities. Bankers exert an important influence as economic advisers to their customers. If at the present time they advise their customers to adopt a more cautious attitude toward those phases of the economy where excesses have developed, they will contribute materially to maintaining the economy sound and prosperous.

E. A. Haley Opens

ALBANY, N. Y.—Elmer A. Haley is engaging in a securities business from offices at 18 Woollard Avenue.

The Canadian Dollar Premium

By J. ROSS OBORNE*
Asst. Manager, Nesbitt, Thomson & Co., Ltd., Toronto, Ontario

Mr. Oborne, ascribing the premium on the Canadian dollar to the tremendous inflow of capital funds into Canada, principally from the United States, holds it is an iniquitous situation since it handicaps Canadian exports. Discusses effects of buying of Canadian stocks by foreigners which has an important bearing on the dollar premium, and concludes, the actions taken to lower the premium by mopping up Canadian bonds held abroad may have no really effective results.

To get back to basic principles the premium on our Canadian dollar results simply from the supply and demand for Canadian funds. When the demand for Canadian dollars is greater than the supply available then the premium goes up. A good many things enter into the picture of the dollar premium but the two most important factors are our present trade deficit and the inflow of funds from foreign countries. Normally if we had a trade deficit a discount on our dollar would result. A trade deficit is simply a situation where we are importing more goods than we are exporting. What is happening is that dollars are flowing out of the country at a faster rate than they are coming back in.


J. Ross Oborne

In brief, there is not the demand for the Canadian dollar under such a set of circumstnces and in consequence the dollar tends to be at a discount rather than at a premium. What has changed this whole normal picture in the last few years has been the tremendous inflow of capital funds into Canada, principally from the United States. This inflow of funds has more than counter-balanced our trade deficit and has resulted in the situation where demand for our Canadian dollar has been so great that it has resulted is an substantial premium. This premium on our Canadian dollar has, of course, had the effect of making it difficult for our exporters to compete in world markets. The fact that foreign buyers had to pay a premium to purchase our goods has been a distinct deterrent to sales. In addition foreign competition has been able to lay goods down in other countries at prices a good bit lower than ours. The textile industry is perhaps the prime example of the situation we are dscribing.

For some considerable time the Government of Canada has been quite aware of this iniquitous situation and, no doubt, has contemplated certain measures to bring our dollar more in line with other currencies, particularly with that of the United States.

As previously mentioned the one big draw-back in doing something about reducing the premium has been the tremendous inflow of capital fnuds into Canada. This inflow of capital funds has been principally in the form or direct investment and bond and stock investment. American investors, even taking into account the premium which they had to pay to buy Canadian dollars, could still get better returns on their investments in high-grade Canadian securities than they could in many of their own comparable securities. Such a situation also encouraged our own provinces, cities and towns to sell issues of bonds in the United States market where they could obtain better prices for them.

Because little government financing of a long-term nature has been done in tne U. S. A. in the last few years there has been thus a constant pressure of buying in Canadian longer term government issues. Recently, however, a long term 3% U. S. Government issue was marketed. At the time of the issue certain statements were made as to its actual purpose. Briefly they were that it was sound policy to lengthen the term of the debt, that the higher rate of interest was an inflation indicator and that it provided an avenue of competition for speculative investments.

If our reasoning is correct, when the Canadian Government viewed this long-term United States Treasury Bond issue, they saw their opportunity of doing something about the premium on the dollar. Here was an issue that did compete to a certain degree with our Canadian issues. In other words American investors would be encouraged to buy their issue instead of ours. Such being the case the pressure on our bond market would lessen. The net result would be a possible flow of securities payable in Canada, back into Canada. This action would have the effect of helping to reduce the dollar premium. To accelerate this possible movement it seems evident that the Bank of Canada immediately took steps to repatriate Canadian securities. We know of several large transactions which the Bank of Canada entered into buying long-term Canadas which were held in New York. This would lead to a chain reaction because U. S. investors sensing that the dollar premium was coming off would sell their bonds before it entirely disappeared. There certainly has been some evidence of this selling already. The net result of this operation would be that the Bank of Canada would have to mop up a great deal of selling on the part of the American institutions. The whole key, of course, to the situation with respect to American selling is whether they could do better in their own market after taking the advantage of selling at the premium. Unless the Bank of Canada forced our interest rates down here at the same time as the premium was coming off the dollar there would be little inducement for U. S. investors to sell. This type of mopping up operation that appears to be going on with a view to reducing the premium on the dollar could be a very costly one for Canada. She may have to absorb a tremendous amount of U. S. selling during the process.

In reviewing the actual position of Canada's security markets during the year 1954, we have looked at the first three-quarters of that year. We find tnat during the first quarter of 1954 Canada was a net importer of about $4 million worth of bonds and net exporter of about $22 million worth of stocks. In the second quarter she was in balance on bonds and a net exporter of about $20 million worth of stocks. In the third period Canada was a net importer of $32 million worth of bonds, a net exporter of $32 million worth of stocks. We have not yet seen the figures for the fourth quarter but it is unquestionable that Canada will be a net importer of large quantities of bonds as well as a net exporter of large quantities of stocks.

Reviewing these particular figures of Canada's position in the securities markets, it would appear evident that the securities represented by common and preferred shares are of much more importance than many people appear to realize. It does appear that the inflow of funds into our stock markets and equities are much more responsible for the premium on our dollar rather than bond market transactions. Such being the case it is for consideration whether the Bank of Canada is not attacking the whole situation from the wrong end. Would it not be better to in some manner direct the flow of foreign money coming into our stocks to at least make sure that the money was used for sound economic purposes. Shares changing hands on the stock exchanges have some end result of benefit to the Canadian economy, but, there is no doubt that money coming directly into Canadian industry would be much more beneficial than the first type of transaction.

If the Bank of Canada is busy "managing" our interest rates and using the bond market as a medium, she could end up in rather a difficult position. After all Canada is, in a sense, bucking world trend. For example the Bank of England recently raised its effective rediscount rate while at the same time the Bank of Canada lowered hers. In addition in the United States of recent date, the FHA has raised its interest rate on mortgages by $\frac{1}{8}$ of 1%, while in Canada it has been recently announced that the rate has been dropped by $\frac{1}{4}$ of 1% on N. H. A. mortgages. The big question is whether Canada can buck a trend in Great Britain and a trend in the United States of rising interest rates. On the face of it, it would appear that those two countries fear an inflation and are using the raising of interest rates as one of the effective means of slowing it down. Canada, on the other hand, appears to think there is no danger of inflation because a lowering or rates, which stimulates borrowing, is an inflationary movement. In viewing the situation don't we generally find that Canada usually is at least a few months behind the United States in most of the economic moves. For example, on two previous occasions Canada has scarcely felt certain so-called depressions in the United States and at the same time has been slow to reflect boom periods, and of course the degree varies. It is estimated that Canada is at least two to three months behind the same reaction that the United States experiences. If such is the case then the inflations presently apparent in England and in the United States are perhaps only a few months away here in Canada. If this be true then the Bank of Canada has only two or three months to conduct her operation to get the premium off the dollar. If an inflation starts here, all the lowering of interest rates will have done is to fan the flame.

Another factor again related to the stock market, is the fact that a lowered premium on our dollar encourages more United States buying. The inflow of funds to buy ou requities will no doubt increase rather than decrease while this particular operation is going on. If we were right in our conclusion that the funds coming into common stocks had a considerable bearing on our dollar premium, then our operation of mopping up the bond market may have no really effective results.

The final answer to the situation will be whether our goods will flow across into other countries rapidly enough to turn our deficit trade balance into a surplus trade balance, and thus take the pressure off our Canadian dollar. If we are right in the conclusions that we have drawn we could see some adverse results for Canada. It is going to be a very expensive operation in repatriating Canadian bonds if they are not the source of the difficulty in relation to our dollar premium.

*Mr. Oborne's article also appeared in "Saturday Night," a Canadian publication.

CORRECTION

Here's the Author of "Railroad Kernels"!


William White

On page 6 of the "Chronicle" of March 31, we published the text of a talk entitled "Railroad Kernels," made by William White, President of the Delaware and Hudson Company, before the Investment Association of New York City. Unfortunately, and due to the similarity of names, the picture which accompanied the article was not that of the author, but of William R. White, of Hornblower & Weeks, New York City.

We sincerely regret the error and, for the record, present herein the picture of William White, President of The Delaware and Hudson Company, and author of the interesting discourse referred to.

George J. Arnold Now With Tellier & Co.

JERSEY CITY, N. J.—Tellier & Co., 1 Exchange Place, announce that George J. Arnold has become associated with their firm as Syndicate Manager. Mr. Arnold was formerly associated with George A. Searight and prior thereto was New York Manager for Graham & Co.

Henry W. Kroening Is With G. H. Walker Co.

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Henry W. Kroening has become associated with G. H. Walker & Co., 503 Locust Street, members of the New York and Midwest Stock Exchanges. Mr. Kroening was forberly an officer of the Mercantile Trust Company, with which he had been associated for 50 years.

Recommended Changes in Bank Holding Company Legislation

By WILLIAM McC. MARTIN, JR.*

Chairman, Board of Governors, Federal Reserve System

Chairman Martin, though stating it is the Federal Reserve Board's position that further regulation of bank holding companies should be kept to a minimum, says legislation is needed to cover four essential features, *viz:* (1) a better definition of a "bank holding company"; (2) requirement of prior approval of a Federal agency before a bank holding company can acquire additional bank stock; (3) requirement that bank holding companies divest themselves of ownership of stock and similar equity interests in non-banking enterprises, and (4) provisions requiring registration of bank holding companies, with authority given administering agency to obtain information needed to pass judgment on bank stock acquisitions

At the outset I should like to emphasize that the Board of Governors believes that bank holding company legislation is desirable. The Board's general views on this subject have been stated several times in recent years. They were set forth in my letter to you, Mr. Chairman, in April 1952, and in a statement made by Governor Robertson before your Committee in June of that year. They were stated again when Governor Robertson and I appeared before the Senate Banking and Currency Committee in June, 1953. The Board continues to adhere to these views, although, as indicated in my recent letter to the Committee, dated Feb. 21, 1955, the Board has modified or refined its opinions in certain particulars which I shall mention later. Accordingly, the remarks I am about to make will in large measure be a restatement in substance of what we have said on previous occasions.

W. McC. Martin, Jr.

The essence of our position is that further regulation of bank holding companies should be kept to a minimum necessary to meet whatever problems may exist in this field which are not met by present law and cannot effectively be dealt with by the States alone.

There are now on the statute books certain provisions enacted in 1933, regulating affiliates and holding company affiliates of banks which are members of the Federal Reserve System. Affiliates of member banks are made subject to reports and examinations. Limitations are placed upon the amount which a member bank may loan to any of its affiliates, including any holding company affiliate. Finally, any holding company affiliate which desires to vote stock owned by it in any member bank must first obtain from the Board of Governors a voting permit and, as a condition to the permit, the company must agree to submit itself and its controlled banks to examination, to establish certain reserve funds, to dispose of any interest in securities companies, and to declare dividends only out of actual net earnings.

These provisions of existing law regulate the activities of a bank holding company only if it happens to control a member bank and only if it desires to vote the stock of that bank. In effect, therefore, regulation is largely voluntary on the part of the holding company. Even if a voting permit is obtained, the regulation to which a holding company is subject is aimed mostly at protecting the soundness of the member banks in the group.

These provisions, therefore, do not deal at all with two apparent problems in the bank holding company field. In the first place, there is nothing in present law which restricts the ability of a bank holding company to add to the number of its controlled banks. Consequently, there can well be situations in which a large part of the commercial banking facilities in a large area of the country may be concentrated under the management and control of a single corporation.

In the second place, there is nothing in existing law which prevents the combination under the same control, through the holding company device, of both banking and nonbanking enterprises. Obviously, this makes it possible for the credit facilities of a controlled bank to be used for the benefit of the nonbanking enterprises controlled by the holding company. Moreover, the ordinary nonbanking business requires a managerial attitude and involves business risks of a kind entirely different from those involved in the banking business. Banks operate largely on their depositors' funds. These funds should be used by banks to finance business enterprises within the limitations imposed by the banking laws and should not be used directly or indirectly for the purpose of engaging in other businesses which are not subject to the safeguards imposed by the banking laws.

These two existing problems in the bank holding company field could be met, we believe, by legislation which would need to cover only four essential features:

(1) The term "bank holding company" should be defined in language generally adequate to cover all known bank holding company groups which need to be covered, without attempting at this time to cover all situations that might possibly arise.

(2) Bank holding companies should be required to obtain the prior approval of a Federal agency before acquiring additional bank stocks; and in granting such approval the administering agency should give consideration to relevant standards stated in the law and to the views of the appropriate State and Federal authorities.

(3) Bank holding companies should be required within a reasonable time to divest themselves of ownership of stock and similar equity interests in nonbanking enterprises with a minimum of specific exceptions. The bill might give statutory exemption to bank holding companies operated principally for charitable, religious, and similar purposes. In addition, it should permit the administering agency to exempt bank holding companies from the divestment requirements in exceptional cases in which control of a bank may actually be necessary in the public interest. Furthermore, the administering agency should be given a limited authority to exempt shares of stock in businesses closely related to the business of banking.

(4) Finally, there should be a few administrative provisions requiring the registration of bank holding companies, authorizing the administering agency to obtain information necessary to pass judgment on proposed acquisitions of bank stocks, and providing criminal penalties for violations of the statute.

It is with these four essential features in mind—coverage, expansion, nonbanking interests, and administration—that I should like to state briefly our principal comments with respect to the bill H. R. 2674.

1. Coverage

One of the most basic and at the same time most controversial aspects of bank holding company legislation has always been the matter of coverage or definition.

The present bill would define a "bank holding company" as any company which owns 25% or more of the voting shares of two or more banks or any company which might be determined by the Board of Governors to exercise a controlling influence over two or more banks.

We believe that this definition goes further than necessary in certain respects. In the first place, we think it unnecessary and undesirable to vest the administering agency with discretionary power to bring under coverage of the bill companies not meeting the stated definition. In the second place, we think that a definition based primarily upon majority stock control of a bank is probably adequate to cover all companies which would need to be regulated in order to accomplish the objectives of the legislation. However, if in the judgment of Congress such a definition would not be adequate for this purpose, it would not appear objectionable to base the definition upon some lower percentage test, even down to 25% as provided by the pending bill.

In one respect we believe that the definition in this bill would not be adequate to effectuate one of the two main objectives of the legislation. It would not apply to a company which controls only one bank and would not, therefore, require such a company to divest itself of its nonbanking interests. Yet, it seems clear that the potential abuses resulting from combination under single control of both banking and nonbanking interests could easily exist in a case in which only one bank is involved. In fact, if the one controlled bank were a large bank, the holding company's interests in extensive nonbanking businesses might very well lead to abuses even more serious than if the company controlled two or more very small banks. For these reasons, the Board would continue to urge that, whatever the percentage test may be, the definition should be related to control of a single bank.

The pending bill would exempt from the definition of "bank holding company" any mutual savings bank and any organization operated exclusively for charitable, religious, and similar purposes where the organization would otherwise be a bank holding company by reason of its ownership of bank stocks on the effective date of the Act.

In the Board's opinion, it is questionable whether any company which meets the stated definition of a "bank holding company" should be exempted from the necessity of obtaining the prior approval of the administering agency if it should decide to acquire additional banks. In this respect the Board has somewhat modified the views heretofore expressed by it. It would not now recommend the inclusion of even discretionary authority in the administering agency to exempt companies from the expansion requirements of the bill. We cannot believe that any hardship would result from requiring even a charitable institution to comply with these requirements.

On the other hand, it is recognized that there may well be cases in which the exemption of certain companies from the **divestment** requirements of the bill would be desirable in order to prevent hardship and to protect the public interest, as, for example, charitable, religious, and similar organizations. However, we question the necessity for exempt-

Continued on page 43

*A statement by Chairman Martin before the House Banking and Currency Committee, Washington, D. C.

Texas With a Spanish Accent

By JACQUES COE

Senior Partner, Jacques Coe & Co., Members N. Y. S. E.

Mr. Coe cites paradoxes striking visitor to Venezuela, a flamboyantly glorious new world, where despite enormous oil wealth, no obligation—governmental or private—is ever met on time. Reports people well on way to commercial success as result of great energy and industry. Finds country a new experiment in State Economy, with a little fascism, socialism, and capitalism.

CARACAS, Venezuela — Fabulous — exciting — terrific — out of this world! These are some of the adjectives describing Caracas, Venezuela — a city growing at such a rapid pace that yesterday's parking lot is tomorrow's skyscraper.

Jacques Coe

This is a novel experiment in State economy. The "body politic" at the top, directly shares in all production of wealth, most of which comes from oil.

Through royalties and taxes, the State manages to obtain approximately 50% of all corporate profits. On a current production of approximately two million barrels daily, the Venezuelan treasury collects in excess of $500 million per annum.

The money comes in faster than Administration officials can handle it—and they spend it just as rapidly, by entering into so many diverse commitments, for so many various enterprises, that the cashbox is always empty!

Here is a country of paradoxes, where the money rolls in so fast—no obligation is ever met on time!

Almost every where in any other country the poor man, because his credit is at stake, pays his debts on the dot. The rich man takes his time. His credit must not be questioned. So it is with nations. The Venezuelans just cannot be bothered paying their obligations when due. They say "it is only money" and they pay when it suits them—*always from a few days to several months late.* That is why obligations of various Venezuelan autonomous subdivisions can be bought on a basis to yield anywhere from 8% to 12%!

Flamboyant New World

This is the new world, in all its flamboyant glory. Caracas is more than a town. This is a valley, 2,700 feet high, surrounded on all sides by steep mountains. The climate is balmy, something like southern California, and the distances from one corner of the valley to another stretch over many miles.

All the new building construction is of the most modern type. To a New Yorker, they resemble the new Lever Brothers building on Park Avenue, or the United Nations Building. Automobile traffic is extremely dense during the day, and downtown transportation, with its many narrow streets, is an ordeal.

The principal impression a businessman absorbs in Caracas does not concern the highways, the tunnels, the building construction, the hotels, the oil boom or anything else. It deals with a spirit of hard work, great energy and activity which makes for an industrious people well along the path to commercial success.

At 7 o'clock in the morning, downtown Caracas looks like Broadway and 42nd Street at 5 o'clock in the evening. The motor traffic and movement of pedestrians is dense. There is a hum in the air, as if everyone was on his way to do something important. Statistics on the per capita ownership of motor cars in Caracas must be as high as any place in the world.

In some sections, the new buildings intermingle so closely with the old that one would think there had been an earthquake and that parts of First Avenue in New York suddenly had been dropped on Fifth Avenue.

The city itself probably has somewhat over 100,000 inhabitants, but the valley surrounding it on all sides embraces additional population, so that Greater Caracas probably comes nearer to the million mark.

One sees mighty few beggars on the streets (which natives are quick to point out, and compare with the nearest Latin metropolis of any consequence, such as Havana or Mexico City). The average laboring and white collar class appear to be better fed and clothed. In a short time, they will be infinitely better housed.

A New Experiment

Venezuela truly is a new experiment in "State Economy"—it is neither fascistic, socialistic, or capitalistic — and yet there is a little of each.

First, there is the dictator, who is mighty but does not abuse the privilege. (This statement varies according to with whom you talk.) Then, it is part socialistic, because much, if not most, of the revenue is being spent, directly and indirectly, for the middle and poorer classes. And, finally, it is very definitely capitalistic, because it is a country in which capital gets more than a fair break — money can flow into and out of the country without question, hindrance or tax, and without strings attached.

The scale of corporate income taxes and royalties usually winds up with about 50% of the net profits. The cut is high enough to share equally, but not too high to discourage private enterprise.

Being blessed with natural resources of unmeasured wealth, and capacity, there is lacking the narrow-minded view of Mexico and Brazil, where misguided economics under the guise of nationalism tends to husband everything and obtain little or no revenue. Companies like Standard Oil of New Jersey, Royal Dutch and Gulf are welcomed as operators and partners in getting the wealth out of the ground. Companies like U. S. Steel and Bethlehem are equally welcomed to mine the rich iron ore deposits.

In a relatively short period of time, Venezuela has constructed a system of throughways, tunnels through mountains, bridges, over- and underpasses, apartment buildings, low-cost housing developments, hospitals, government buildings, hotels, subsidized airlines — and everything else you can think of to make for a better and more abundant life. All countries, at some time or another, have booms — for instance, the dance of the sugar millions after World War I in Cuba. Most of the money at that time, however, was translated into palatial homes for the fortunate sugar barons. However, in this current oil bonanza, funds first find their way into the Administration and from there on to the lower echelons. Certainly, it is a boom, and there is not a person in Caracas who does not believe that it will last forever. But all we have to remember is that booms of the past, such as sugar in Cuba, real estate in Miami, coffee in Brazil, tulips in Holland, gold in South Africa—they come and they go. It may be well to remind some of the incurable optimists that any economy *based upon a single commodity,* such as oil, has questionable stability!

The Budget

In order to get some figures together which would be intelligent and descriptive and not too boring, the budget figures for the last six months of last year were examined. Receipts were estimated at $396 million (on the conservative side). Actually, they were $29 million higher.

The money came from numerous sources—with oil, of course, being the principal donor. For this six months period, oil royalties produced $150 million; taxes, $80 million; customs, $88 million, and the remainder from varied sources. This is how the money was spent —municipal public works, $60 million; Treasury Department Customs Control, $27 million; Defense, $25 million; electrification and tourist expense, $30 million; Federal public works, $103 million, and the remainder apportioned among education, sanitation, agriculture, etc.

The actual debt of the Venezuelan Government as such is a trifling amount, somewhat in the neighborhood of a paltry $12 million, and probably less per capita than any country in the world! There is, however, an *invisible floating debt,* which is causing some concern in top banking circles because of the rapidity with which the obligations of the so-called autonomous bodies guaranteed by the government pile up.

Including maturities up to June, 1955, the best estimate is that this floating debt is in excess of $100 million. Not an excessive figure, but the fact that it is uncontrolled and must be guessed at poses certain questions.

The Only Blemish

This floating debt is the only blemish on what seems to be an otherwise brilliant picture. These obligations have serial maturities, but, curious to the Latin American temperament, and particularly that of Caracas, they are never paid on time. Sometimes, several weeks to months go by before the obligations are met. This has become such a common practice that contractors often inflate their bills to the Government to compensate themselves for the interest loss which is sure to come. Many of these bills are sold on the open market by contractors who want to get cash immediately, and they sell at discounts running as high as 10%-12%.

In discussion with the head of one of the principal banks in Caracas, regarding this paradoxical situation, he made a calculation to the effect that if the Government would pay its debts on time, and thereby establish top credit, the Venezuelan Government could save a minimum of 15% of the cost of its annual budget.

There are three television channels and one sees as many aerials as in any New York suburban community. Taxis are plentiful and relatively cheap. This, however, is the only thing that is cheap, because the cost of living in Venezuela, on a basis of dollar parity, is on the high side. Anyone who visited San Paulo in Brazil 20 years ago and has seen it lately can visualize what Caracas will be a few years hence.

The general run of people are extremely polite, which includes the taxi drivers, waiters, shopkeepers and the man in the street. For the tourist, it is one of the bright spots in the Caribbean, but for a businessman from New York, spending some time in Caracas, he goes through a period of absolute frustration. It is unheard of to pick up a telephone and try to call any place outside of Venezuela. To call New York is a major production. It may take three or four hours, if one is very fortunate — more often it might take two or three days. Cables are equally slow, and something happens to the airmail service which makes a letter from New York arrive four or five days late. Once the enterprising Venezuelans can bring themselves to pay their obligations on the nose, and bring means of communication closer to what is expected and accepted in the larger cities of the world, then and only then will they be eligible for the big league.

Last week a curious situation developed at the various newsstands. One saw large piles of "Newsweek" and no issues of "Time." The girl said that "Time hadn't come in this week." Boarding the plane for Havana, several Venezuelans were reading "Time," which had the picture of the President of Venezuela on the cover. The big inside story, with fascinating photographs, gave a complete background of what had been going on in Venezuela, and particularly Caracas, these last four or five years.

It developed that "Time" had been barred from the newsstand for several days, while the proper administration officials got around to reading the article. Then they decided that there was nothing in it that everybody did not already know. Upon reconsideration, the magazine was permitted to be sold. No censorship of the press—just careful.

Texas IBA Group Annual Meeting

HOUSTON, Tex. — The Texas Group of the Investment Bankers Association will hold its annual meeting and election April 24-26 at the Hotel Shamrock.

Planned for the meeting in addition to sports and other entertainment is an air tour of the Gulf Coast Ports.

Members of the Convention Committee are:

Chairman: James L. Bayless, Rauscher, Pierce & Co.

Shamrock Events: Roger Stotler, Rowles, Winston & Co.

Publicity: J. R. Phillips, Jr., J. R. Phillips Investment Company, Inc.

Transportation: John Fosdick, Eddleman-Pollok Co.

Golf: W. E. Knickerbocker, McClung & Knickerbocker.

Airplane Trip: Jack Geneser, Bradschamp & Co.

Registration: Edward Randall III and Parker Cushman, Rotan, Mosle & Co.

Pre - Convention Reception: Charles B. White, Charles B. White & Co.

Coordinator: Joseph R. Neuhaus, Underwood-Neuhaus & Co.

Edward Rotan, Rotan, Mosle & Co. is chairman of the Texas Group.

Atomic Energy in The Field of Finance

By GORDON R. MOLESWORTH*
Molesworth Associates, New York City
Atomic Energy Consultant, Harris, Upham & Co.
Members New York Stock Exchange

Asserting the rapid development of atomic energy is influencing all segments of the financial field, Mr. Molesworth predicts this trend will become greater in the years ahead. Looks for growing need of large amounts of capital to finance nuclear reactors and other atomic facilities, and concludes the speed of peacetime atomic progress may depend largely upon the availability of financial resources to promote it.

Not all the nuclear chain reactions today are confined to atomic weapons or nuclear reactors. As many, if not more, reach criticality in the nation's stock exchanges, in over-the-counter markets and in the conference rooms of large financial institutions.

G. R. Molesworth

The uranium atom, in fact, seems these days to be particularly explosive whenever it is combined with a particular company's activities. Once this union becomes known—or is even rumored — a kind of human chain reaction occurs. The company's shares are apt to rise sharply, it can sell a new stock issue almost before it is registered, or if the company is not too large, its management can consider the several merger opportunities which will probably come its way. As small as critical mass may be in a weapon, a reaction of this type often involves far less substance.

A few random examples will illustrate this special kind of atomic power:

Bath Iron Works announced routinely a couple of months ago employment of a nuclear engineer. The company's stock promptly rose some 25%, despite a statement by the firm that it had no atomic energy work and foresaw none in the near future. The step was simply routine for any progressive shipbuilder today, the president said. But the stock continued to rise sharply.

W. R. Grace & Co. was recently reported to have found a rich uranium ore body in Peru, and the stock promptly took a jump. The company just as promptly labeled the report a hoax, but the shares maintained their new high ground anyway.

Revelation more than a year ago that lithium was an ingredient of thermonuclear weapons, started a steep rise in the shares of all companies producing that light metal, whether they had any contracts with the AEC or not. The latest of this group to benefit from this "built-in" chain reaction is a small firm with the intriguing name of Basic Atomics, Inc., which is reported to have some lithium deposits in North Carolina near large mines being operated by several leaders in the lithium industry. The stock of this new firm has risen from 1¾ to more than 7 in the short space of a few weeks. This concern may prove to be an excellent investment, mind you, but if it does such success will bear out the blind hopes rather than the sound analysis of many of its shareholders.

Consolidated Edison Company of New York also saw its stock take a jump after its president told the Joint Congressional Committee on Atomic Energy the firm was going to build a large nuclear power plant — this even though the plant will not be completed for several years and may not produce competitive power when it is. Babcock & Wilcox, the firm selected to design and build the power reactor for this first privately financed atomic plant, also watched its stock bid up some 20 points in two weeks.

The Atomic Development Mutual Fund, a standard open-end investment company except that it invests only in the shares of companies engaged in atomic energy development, wound up its first year last December with more than $12 million of shares sold, an all-time record for new funds. In the next 10 weeks, the public invested $6 million more in this medium. Now, with a $15 million underwriting virtually complete, the public has used the Fund to channel more than $35 million into atomic energy development.

Several progressive banking organizations, recognizing the growing influence of atomic energy in business and industry, have moved to prepare themselves for sound operations in this field. Chase National Bank recently employed Dr. Lawrence Hafstad, formerly director of the AEC's Division of Reactor Development, to counsel its management; Bankers Trust Company, also of New York, has engaged Nuclear Development Associates for technical counsel in the field of investments.

All these are examples of the impact atomic energy development is having in the field of finance.

Influences Exhibited in the Stock Market

The most widely known of the atom's financial influences is that exhibited in the stock market. In the cases just noted — and in many, many more — the mention of atomic energy in the same breath with the name of a company is tantamount to making it "a sure thing" in the eyes of the public—often to the embarrassment of the company involved. The tremendous uranium stock rush is certainly indicative of this widespread confidence in anything atomic. Millions of Americans have bought shares in uranium and other atom-connected companies strictly on impulse with virtually no study at all and with no counsel from experienced advisers.

I do not want to give the impression, however, that all stock investments made simply on the basis of a company's nuclear activity are bad. In many—perhaps most—cases, they will prove to be decidedly good. For example, some ten months ago I selected for a Harris-Upham publication 25 stocks which I considered good media for investment in the atomic energy field. There were no unknowns, no "hot tips" in the list. Since that time this group has climbed 42% while the Dow-Jones average has risen only 28%. In other words, these stocks have risen 50% more than the general market. Only one has declined. Several have more than doubled. The point here is that had an individual investor bought shares in these companies simply because he heard they were active in atomic energy, he would have made a good investment.

On the other hand, many investors who have blindly poured funds into "sure thing" uranium stocks during the last year, now have only worthless stock certificates to show for their money.

There have been, of course, some good investment opportunities in the uranium field and there will be more. But the lack of specific information and the unreliability of much of that which is available make selection extremely difficult. The delicate wording which many promoters have devised to stay within the law and still leave a glowing impression of great promise for their companies, is a real object lesson in semantics. Many uranium companies have claims—always next to a well-known mine—but no proved uranium; or they have some uranium but the amount and grade is unknown. Many do in fact have substantial proven ore reserves but they are so heavily capitalized that no single share of stock will ever yield much return. When these are eliminated, few are left.

The trend is now toward consolidation of the more than 550 mines operating on the Colorado Plateau, with more and more small companies either merging into groups or selling their interests to the half dozen or so large mining companies which have now moved into uranium mining on a permanent basis. Although the uranium rush is still on, there are signs of its settling down somewhat. And this is a good sign, for an unlimited boom, followed by widespread disillusionment — which would almost surely follow —might retard the whole pattern of progress in the atomic field by making it more difficult in the future to finance really worthwhile enterprises. Of course, venture capital is a necessity for continued exploration and for development of ore reserves, but the element of speculation in most such investments should not be misrepresented. And therein lies the danger of wholesale uranium offerings and of broad-scale buying of such shares without careful evaluation.

Major Considerations in Judging Uranium Concerns

Admittedly, then, although the chances of profit in the so-called atomic energy stocks appear to be better than in many other categories, using a company's "radioactivity" as one's sole investment guide is somewhat less than wise. Persons using this system frequently overlook three major considerations:

(1) How prominent are the company's nuclear operations in its whole business picture? Although a company may accurately be reported active in some phase of nuclear energy, its interest may be limited to research and investigation. This may be a favorable indication, but for the long pull only.

(2) Is the atomic energy activity being carried on actually a source of substantial profit, either present or potential? A

Continued on page 38

*A paper by Mr. Molesworth prepared for the Conference on Atomic Energy sponsored by the Stanford Research Institute and the Atomic Industrial Forum, Inc., San Francisco, Calif., April 5, 1955.

Impact of Margin Requirements On the Course of Stock Prices

By FRED B. BARROWS
Economist, Rhode Island Hospital Trust Company
Providence, R. I.

Author maintains, as a result of a study of fluctuations in stock brokers' customers' debit balances and stock price changes since 1942, that there is a parallel movement of debit balances and stock prices throughout virtually the entire period and that this is evidence of a causal connection.

In an article on stock margin requirements and stock market risks, which appeared in the "Chronicle" of March 17, the writer states this conclusion: "There appears to be no direct connection between the changes in either margin requirements or debit balances and the movement of stock prices." I think that statement should not go unchallenged. It appears that through the examination of inadequate data an erroneous conclusion was reached. The evidence was presented in a table which merely showed whether stock prices increased or decreased during the periods between one change in margin requirements and the next change in the decade from Feb. 5, 1945 through Jan. 4, 1955. Because stock prices decreased only once in the periods following the four increases in margin requirements, it was concluded that the increases in margin requirements did not result in stopping the advances in the stock market.

This interpretation does not allow for the customary lag between changes in margin requirements and changes in customers debit balances and in stock prices. It seems to me that the evidence warrants exactly the opposite conclusion and that the presentation of a monthly record of margin requirements, customers debit balances and stock prices is convincing evidence of this. This is done in the accompanying chart. For stock prices I have used Standard & Poor's index of 480 stocks. All three curves are plotted to the same semi-logarithmic scale. The stocks are index numbers based on the 1935-1939 average equalling 100; customers debit balances are in billions of dollars.

The parallel movement of debit balances and stock prices throughout virtually the entire period seems pretty clear evidence of a causal connection. The connection between margin changes and the other two factors becomes clear when the movements which followed each change in margin requirements are studied. The chart is carried back far enough so that the beginning of the 1942-1945 bull market is covered. It will be noted that the bull market had been under way and customers debit balances had been rising for nearly three years when Federal Reserve took its first step to temper the advance. Each of these steps and the developments which followed are briefly described:

(1) On Feb. 5, 1945 "Fed" raised margin requirements from 40% to 50%. This halted the rise in brokers loans for three months but didn't slow down the advance in stock prices. (2) On July 5 stock margin requirements were raised from 50% to 75%. This stopped the increase in customers debit balances at once; the peak reached in the preceding month was not exceeded thereafter for exactly five years. Stock prices paused for a couple of months and then resumed their advance, with little or no help from expanding credit, at a more rapid rate. (3) On Jan. 21, 1946 margin requirements were raised from 75% to 100%. This touched off an immediate and precipitous decline in customers debit balances which in nine months were cut in half. The advance in the stock market was slowed; in the five months February-June, 1946, inclusive this index showed a gain of only 5.8% as compared to a gain of 22.8% in the preceding five months and early in June the bull market ended and was followed by a sharp bear market.

Despite the fact that the bulk of the decline in stock prices was over by September, 1946, Federal held margin requirements at 100% for more than a year, during which period practically all of the expansion in customers debit balances in the four and one-half year bull market had been liquidated. (4) Then on Feb. 1, 1947 the margin requirements were reduced to 75%. This at once stopped the decline in debit balances; the low point reached in January was not broken for two years during which stock prices moved generally sidewise.

Early in 1949 the stock market, having been declining for six months, appeared to be in a bear market, and business was headed into a recession. Customers debit balances had reached a new low for over six years. (5) At this juncture Federal on March 30, 1949 reduced margin requirements from 75% to 50%. The immediate effect was an increase of 18% in debit balances in a single month, followed by a steady and rapid advance which in 15 months carried the total back to the 1945 peak. This expansion in credit devoted to stock market activity appears to have been a factor in stopping the decline in stock prices and in mid-June, two and one-half months after margin requirements had been reduced, the bear market ended and the bull market that is still under way started.

(6) The next change in margin requirements was the increase from 50% to 75% on Jan. 17, 1951. That was when the Korean War inflation was a major problem. This move again halted the expansion in customers debit balances; the January peak was not again bettered until margin requirements were reduced more than two years later. During those two years the advance in stock prices was held to a much slower pace than during the preceding 18 months when margin requirements were at 50%.

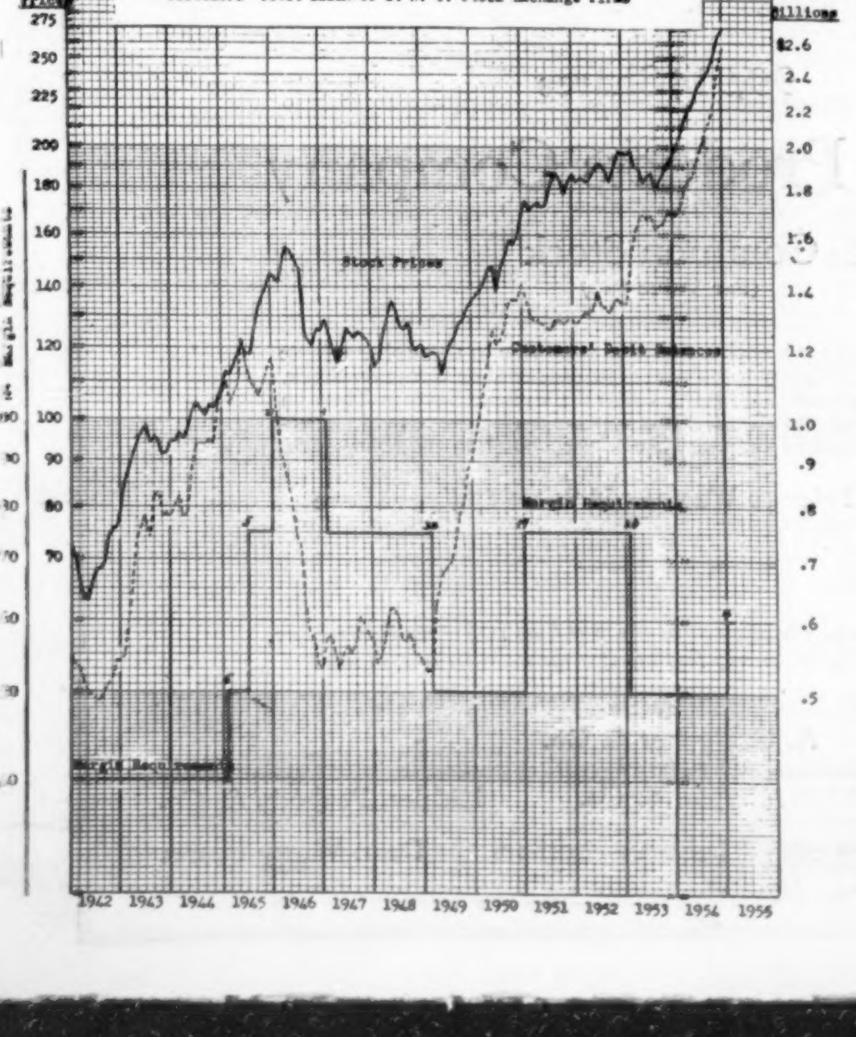
(7) The decrease in margin requirements from 75% to 50% on Feb. 20, 1953 came at a time when it appeared that another bear market had started. Here again the immediate reaction was in customers debit balances which increased 24% within three months. whereas in the preceding 28 months there had been no net change. As in 1949 the sharp expansion in credit used in stock market operations apparently helped stop the decline in stock prices and the low for the market was reached in mid-September, 1953, less than seven months after the reduction in margin requirements.

There followed one of the sharpest advances in the whole 1949-1955 bull market which was paralleled, after a slight lag, by an equal percentage expansion in cutomers debit balances, which are now more than twice as large as they were at the peak in 1945.

(8) The last move taken by Federal was the increase in margin requirements from 50% to 60% on Jan. 4, 1955. The monthly averages which are used in the chart, are not available beyond January, but the daily record of the stock market reveals that in the two and one-half months since the increase of margin requirements stock prices have shown very wide gyrations but with a slight net decline.

Reviewing the entire 14-year period one can see on the chart that the stock market advanced smartly during most of the periods when margin requirements were 50% (or lower as in 1942-1944); that it moved generally sidewise when margins were 75%, and that it declined sharply during the one period when margins were 100%. This is not to say that it requires 100% margins to stop a runaway market (since in 1936 increases in margin requirements from 32% to 55% finally brought that bull market to an end in 1937); but it gives some statistical basis for Professor Galbraith's recent suggestion that margin requirements be increased to 100% if the market reverts to upside pyrotechnics.

THE HISTORICAL INFLUENCE OF CHANGES IN MARGIN REQUIREMENTS ON CUSTOMERS' DEBIT BALANCES AND STOCK PRICES



What Chemical Research Is Doing for Good Roads

Research chemists of Tretolite Company Division of Petrolite Corporation tell of means to eliminate "chuck holes" in concrete roads.

Have you ever had a pleasant springtime auto ride ruined as a wheel of your car hit a "chuck hole" in the road with a spine-jarring jolt

If so, cheer up. Recent chemical research may lead to the elimination of those holes in the pavement which develop when water gets between the asphalt and the crushed stone, the American Chemical Society was told at its 127th national meeting in Cincinnati, Ohio.

Tests on road building and repairing materials containing small amounts of substances to make asphalt stick to stone and resist the action of water were described by Dr. Kenneth J. Lissant, a research chemist of the Tretolite Company Division of Petrolite Corporation, Webster Groves, Mo.

Dr. Lissant told the Society's Division of Industrial and Engineering Chemistry that the new additives must be "tailored" for the type of asphalt and the use it will be put in order to give maximum protection from weather erosion for minimum cost. Present additives tend to lose effectiveness when the asphalt is heated before it is applied to the road, the chemist asserted, but two of the new detergent substances "showed promise" in laboratory tests.

"Chuck holes" are formed in roads because water can coat the surface of the crushed stone more easily than tar can, Dr. Lissant explained. This lets rain and melting snow get between the tar and the rock and loosen the rock so that the pounding of traffic can throw it out.

"Until recently it was necessary to wait until dry weather to patch these holes and you had to dodge them every Spring," the speaker continued. "Now chemists are developing materials — called anti-stripping agents — that can be added to the asphalt to make the asphalt stick to the rock even in wet weather. This will mean that patches can be put in before the holes get big and that new roads will not form chuck holes as easily.

"The chemist's search for effective asphalt anti-stripping agents is not an easy one. It is not enough that these materials make the tar stick to the rock. They must be inexpensive and able to do their job in the cold of Winter as well as under the baking sun of Summer. They must work just as well on the granite of New England as on the sandstone of the Far West.

"Until recently, the question of the heat stability of asphalt additives has not received much attention. If the additive is added immediately prior to laying of the surface, it is not subjected to high temperatures for long enough to cause much trouble. However, when the additive is added to the asphalt at the refinery and the hot mixture is shipped to the use, it may remain near 200 degrees Fahrenheit for several days. It may then be reheated before unloading, and before use."

The prolonged heating may destroy the additive's anti-stripping properties, Dr. Lissant pointed out, and research is under way to find heat-resistant compounds. Of seven commercial additives tested, none was found to be heat-stable with various types of asphalt, he observed, adding that two of the experimental substances appeared to retain their effectiveness with the four types of asphalt tested, even after seven days of heating at 198 to 210 degrees. Standard methods were used to test the anti-stripping properties of the various mixtures.

The additives appeared to be more heat-stable in asphalts from a low-acid Eastern United States crude and from Wyoming crude than in the other asphalts tested, according to Dr. Lissant. He said the tests were limited to cut-back asphalts (diluted with a solvent) because such materials are the largest present market for additives and they are the most readily obtained and stored.

"On the basis of theory, it should be possible to manufacture additives that will be of real service to the industry," he declared. "The discovery of a 'universal additive' is going to be more difficult and may not be possible for some time. Currently, more work is needed on the basic mechanisms of the problem and on the reasons for variations in the susceptibility of asphalts to treatment. It is hoped that future work will bring us useful answers to many questions."

Allen H. Farr, a research chemical engineer with the Tretolite Company, was co-author of Dr. Lissont's paper.

Joins John Nuveen Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Melrose B. O'Rourke, Jr., has joined the staff of John Nuveen & Co., 135 South La Salle Street.

We Must Have the Guaranteed Annual Wage!

By WALTER P. REUTHER*
President, UAW-CIO

In addressing the Convention of the UAW-CIO, Mr. Reuther stresses the objective of his organization to negotiate a guaranteed annual wage for workers with the two leading automobile manufacturers. Speaks of the power of "economic abundance" and points to the growth of automation in modern industry. Says "our demands are basic," and contends wages for GM workers in 1954 went down 5½% compared with 1953 while profits of the corporation went up 34.8%. Comments on $25 million strike fund for his organization, and attacks management as having a double set of economic and moral standards. Concludes with statement "no power can stop us winning together in 1955."

The UAW-CIO is important not because we are the largest free trade union in the world. We are important because our union is all about people, about men and women and children, about their hopes and their aspirations and their dreams of a better tomorrow.

Walter P. Reuther

As we discuss the work of this convention, as we plan for tomorrow, let us draw inspiration from the past problems, from the past achievements of our great union. Let us draw renewed spiritual strength from the loyalty and the devotion of the rank and file members that make up the great family of the UAW-CIO.

One of the things that I am very pleased about in this convention is that there are more wives of UAW members, delegates' wives, in attendance. We want the wives and the children back home who are a part of the UAW-CIO to know that in 1955 we are all going to be sitting at the bargaining table fighting for more of the good things of life for our children and our families' needs and to which you are entitled in this world.

We do not believe that, working as an economic pressure group, we can find answers for our own basic problems but we believe that labor in a free society can make progress only as it works with other people, finding the answers to the problems of all people. It is in that spirit that we approach the bargaining table in 1955, with an understanding that our program is not geared to the problems of only our membership, but to the problems of all the people; that the basic problems for which we fight or try to find solutions to are the problems of all the people. Only as we work with them finding common solutions can we find answers to our own problems.

The Dangerous World Situation

Now, we meet today in perhaps the most difficult period in the history of human civilization. Everywhere in the world there is fear and uncertainty in the hearts and minds of people. They are worrying about what is going to happen tomorrow. Everywhere, like the people in our Union, the people in the United States and Canada, people are worrying about peace. The question of peace transcends every other question that we face as free people.

When we heard that our country had the H-Bomb, and when we learned that Russia had the H-Bomb, at that point in human history the question of peace became a condition of survival.

When you read, as we read a year or so ago, that a bomb dropped on Chicago could destroy Milwaukee, we thought that that was the end of the world in man's inhumanity against man to destroy human life. Now, we learn that the new H-Bomb, that the radioactive fall-out is such that a bomb dropped in Cleveland can destroy Pittsburgh or Detroit and Cincinnati, yes, maybe even Chicago, that's why we need to realize that while we go to the bargaining table, while we fight for more of the good things of life, we must realize that as citizens, as free people in these two great countries of ours, the United States and Canada, that we have a right and responsibility to make a contribution trying to help find the answers to these basic problems of how we preserve peace and freedom in the world.

What good is a higher wage if our great cities are in ashes? What is the future of our children unless mankind finds a way to prevent the use of these terrible weapons of destruction?

When we talk about collective bargaining we are talking about a phase of this problem of how can we preserve peace and freedom. The labor movement of the world is in the vanguard in the cause of preserving freedom, because the free labor in the world has understood and acts in that manner. The struggle for peace, the struggle for freedom, is inseparably tied together with the struggle for social justice.

You can't have peace in a vacuum. You can't have freedom in a vacuum. Each little freedom must be made secure in which people struggle to solve their basic economic and social problems. And therefore, what we do at the bargaining table is inseparably tied together with the basic struggle, with how our people and other people in the world can preserve peace, can make freedom secure not only for ourselves but for people everywhere. We must realize that every basic freedom we cherish is essential to the individual in America and the only way we can be free is to fight for a world in which everybody can be free.

The only way we can live in peace is to fight for a world in which the world can live in peace. It is in that spirit that we have planned what we are going to do at the bargaining table. What we do to mobilize the power of our great country and gear that to the needs and the hopes and the aspirations of the people — this is part of the practical job of building a world in which peace and freedom can be made secure.

Now, the other day, March 22, General Gruenther, the Chief of the NATO forces in Europe, addressed a meeting in New York. The New York "Times" headline said that General Gruenther said that the Russians cannot win a war, but the last paragraph of the article says:

"We would win. I recognize all too well that if a world war should break out now there would be no such thing as a winner."

Nobody can win a war fought with atomic H-Bombs. What we need to realize is that we can win only if we find a way to avoid a war.

Neither war nor peace are inevitable. The world can drift to war and chaos. If we are to win the peace we must build it carefully and courageously.

We are going to be working at the practical day-to-day aspects of building the foundations of economic and social justice upon which we at least have a fighting chance to build a framework for world peace. We must put into that positive effort of waging the peace the courage and the loyalty and the devotion and the willingness to sacrifice that we have demonstrated to win the negative objectives of war.

For the first time in the history of civilization we have the tools with which to conquer poverty and hunger and disease and ignorance, and man's other ancient enemies. For the first time in human civilization mankind has the know-how and the scientific and technical tools to master his physical environments.

This is the first time it is no longer necessary for people to be hungry, for people to be naked or people to be denied the essentials of life. Our great task and the great challenge before the free people of the world is to find a way to harness the power of science and technology, not to make H-bombs, not to destroy human life, but to gear the blessings of science and technology to the struggle to advance the well-being of the human family.

What is the meaning of life? The meaning of life is to find a way to organize the community of people, of nations, so that we can live in peace, so that we can devote our economic resources to solve man's basic economic and material needs, to put food in the stomachs of hungry people and clothes on their naked backs and roofs over their heads. We can begin to develop and devote our energies and resources to enabling mankind to grow as a social and spiritual and cultural being because this is the real end objective of civilization, and we are at that stage now.

We are at that place where we can do these things provided we have the vigor, provided we have the courage, provided we have the will to fight for the policies that will make it possible to gear this abundance to the needs of the people. That gets back to the basic subject of collective bargaining objectives of our union, because what we do at the bargaining table in 1955 will have a tremendous impact upon how the American economy is used, how the Canadian economy is used.

In this over-all struggle for peace and freedom I believe in all my heart that the United States and Canada are freedom's best hopes. If we can make democracy work in Canada, if we can make it work in the United States, then it can be made to work every place in the world, and we are going to make it work.

Fundamentally the cold war reflects a contest of negative values. We need to find a way to shift the center of balance in the world so that instead of having a negative contest which no one can win, we can find a way to shift from a contest of negative values between the free world and the communist world to a contest of positive values, to a contest as to who can do the most toward advancing the cause of human betterment. There, again, we get right back to the basic problem of how do we implement this kind of a positive program, how do we go to work mobilizing our great productive forces for positive human values? Well, the philosophers have philosophized on that question throughout the centuries. Learned men in universities have talked from ivory towers. The great men of religion have pointed out the moral values. It is the problem of how to bring together economic and material values and translate those economic and material values into basic human and moral values. That is what we will be doing at the bargaining table in 1955.

Just look at the history of human civilization and you will find that for centuries and centuries the struggle in the world has been a struggle between people and nations to divide up economic scarcity.

If one country wanted a high standard of living some other country had to go hungry. If one fellow wanted enough to eat, somebody had to go without. That is no longer the problem. The communists try to build their power upon this struggle between people and nations to divide up economic scarcity. We are now at

Continued on page 44

*Opening address of Mr. Reuther before the 15th Constitutional Convention, UAW-CIO, Cleveland, Ohio, March 27, 1955.

THE MARKET . . . AND YOU

By WALLACE STREETE

Stocks marked time for the most this week with the market saved from being completely listless by some erratic movements in a handful of specialties. Some of the newer star performers in the limelight included Whirlpool; some of the sugar issues; Seaboard Oil; Campbell Soup, and some of the metal shares.

* * *

It is getting commonplace for a few of the specialties to run up sharply and then react and lose the bulk of the gain even before the day's trading ended. Leadership was questionable with the top activity centering in issues that fall a little short of a quality rating. Baldwin-Lima, in particular, was at the head of the list more times than not, and while some of the runup enthusiasm was clipped by realizing this week, nevertheless it has forged out the best price seen for the issue since the 1946 bull market peak.

* * *

So-Called "atomic" issues had a rather rugged time of it, this category including General Dynamics which alternated between fat gains and losses, but overall was declined to slip downhill a goodly distance below the high reached recently.

* * *

A Bright Oil

Seaboard Oil was able to put a couple of good gains together to reach an historic peak and brighten an otherwise drab oil section. The big names in this group were quiet, marking time for the most, while Houston and Deep Rock took turns in the spotlight, but weren't able to make any important progress out of alternate elation and dejection.

* * *

General Tire, helped by all manner of rumors ranging from guided missile work to revolutionary new auto equipment — all of it unofficial — was able to push ahead somewhat more persistently than other part-time favorites, nearing the same high that the old stock reached prior to a 2-for-1 stock split in 1952.

* * *

Bethlehem Steel far outshone the other members of its division and on one ebullient moment was able to run ahead a handful of points to post a new high, outrunning the pattern in the steel section.

* * *

Non-Ferrous Metals Run Ahead

In fact, the non-ferrous metals generally outperformed the steels by a wide margin, benefited mostly by price increase in various metals and lately in zinc. Kaiser Aluminum was the seven-league issue in the non-ferrious group and some of its one-day gains ran to multi-point size. Copper issues, which had gotten a momentary play from a similar reason, subsided for the most and a few that had soared, including Andes and Chile Copper, gave ground rather easily. St. Joseph Lead was among those represented on the new-high tables.

* * *

The seasonal note was that the soft drink issues came to life. For high-grade Coca-Cola some of the gains were sizable. Pepsi-Cola took over the activity mantle and also was able to surge higher. This issue and Canada Dry also made successful bids to show up in the new highs tabulations. Despite rather general attention in research department studies given the air conditioning stocks, their pattern was somewhat desultory.

* * *

For Campbell Soup, which is one of the newer publicly held issues as well as one of the newer listings, the chief impetus seemed to be merger rumors which did work out in at least one case.

* * *

Rails Coast

Carrier shares, like the industrials, also backed and filled for the most. Some excellent earnings reports were turned in by various roads without any undue market action, notably that of Chesapeake & Ohio. The play among the rails continues to center on the eastern roads, at least as far as activity is concerned, with New York Central something of a leader when strength was general. Canadian Pacific was also in occasional demand while Baltimore & Ohio, which had participated in some spirited action earlier this year, coasted for the most.

* * *

Chemicals were about as aimless as any other major group and overall progress was nil. DuPont and Allied Chemical faltered occasionally but with no air of conviction, and American Potash traded in some momentary runups only to lose the ground gained subsequently.

* * *

Electrical equipment makers fared similarly, with General Electric showing investor disinterest. The stock marked time through periods of strength and slipped with the rest when the going was tough.

* * *

Narrow and Wide Movers

An even more pronounced case of neglect among the quality issues is Borden's which for all of the year so far hasn't even managed to establish a range of as much as four points. The same situation prevails in Texas Gulf Sulphur, Tri-Continental Corp., Quaker Oats, Seaboard Finance and Household Finance where the ranges for a quarter of the year cover only a few points. In contrast, Bethlehem Steel and General Dynamics so far have traveled over arcs of more than 30 points, while Babcock & Wilcox has a trading range of nearly 50 points and high-priced Rohm & Haas on only occasional appearances has a better than 100-point swing.

* * *

The uranium issues that suddenly showed promise were back in a rut again, including Vanadium and Climax Molybdenum while Anaconda, which has been buoyant, owes it far more to the periods when copper issues were favorably regarded than to its sizable work in the uranium field. Newmont Mining, the holding company with extensive mining interests, subsided along with them.

* * *

The farm equipment group, long dormant, had one exhibit for general interest in a rather sharp runup in Minneapolis Moline, again a case of nebulous rumors. But the issue subsided in something of a hurry this week after one appearance on the new highs roster. The better than 20% improvement of last week was whittled away in the process.

* * *

Technically, the omens weren't too convincing on either side which wasn't altogether surprising since caution was the keynote for a holiday foreshortened week. The averages have been consolidating only a short distance below their highs and well above the reaction lows. Proportionately, the utilities have the most ground to cover percentagewise, while the rails have the least ground to make up. The industrials have been holding for the most in an area only around 1% under the all-time peak, a matter of a handful of points to go on any outburst of strength.

* * *

Volume and market breadth have been subnormal, at least against the records of earlier in this year when the markets were active. For several weeks now the high point of trading has been a 3,000,000 share day once a week at the most. A measure of the standoff is that on one day the difference between plus and minus signs was a scant plurality of two issues on the dour side.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Gregory & Sons to Be Formed May 2

Bonner & Gregory, members of the New York Stock Exchange, have announced a change in the firm name to Gregory & Sons, effective May 2. The announcement also stated that the firm proposes to admit to general partnership, effective on the same date, George M. Gregory, Francis X. Coleman and F. Oakley Crawford, all currently officers in Gregory & Son, Incorporated. The firm plans to move to new and larger quarters at 72 Wall Street, where it will occupy the entire fourth floor.

All present partners of Bonner & Gregory, with the exception of Peter E. Follar, will continue as partners of Gregory & Sons and will continue to serve as bond and stock brokers.

George M. Gregory, now President of Gregory & Son, Incorporated, has been a specialist in the institutional, underwriting and high-grade security business for 25 years.

The admission of the three new partners will bring together in one firm, specialists in the bond and stock brokerage, underwriting, and institutional fields. The firm will offer institutional investors a complete service in all phases of investment banking, and better facilities to dealer correspondents through its activities in underwriting and brokerage in municipals and high grade bonds.

Partners in Gregory & Sons, in addition to those named above, will be: William H. Gregory, Jr., Douglas G. Bonner, M. Henry Townsend, George E. Nelson, John G. Regan, Robert J. Kelly, Joseph D. Krasowich, Edward H. Nelson, William H. Gregory III, and Edith A. Gregory, a limited partner.

Joins Reynolds Staff

(Special to The Financial Chronicle)

RALEIGH, N. C. — William H. Rawls is now associated with Reynolds & Co., Commercial Building. He was formerly with Bache & Co.

Stock Market Averages

By GERALD J. GLASSER and DANIEL E. DIAMOND
School of Commerce, Accounts and Finance
New York University

Authors, after explaining the various stock market averages, find that all are right in the sense that each measures exactly its own specific investment. They point out, however, that statisticians occasionally change the definiton of an investment, and each indicator is comparable only with its own immediate predecessors. Concludes, therefore, over long periods of time, because the changes compound, they are not comparable, and thus 1955 Dow-Jones Averages are not comparable with those of 1929.

Some very distinguished United States Senators found themselves in an entirely understandable state of confusion recently. This state,

Gerald J. Glasser

Daniel E. Diamond

reportedly not one any of the distinguished gentlemen represented, was that which has been unkindly referred to as "the half-world of the statisticians and mathematicians." The emigration to the state was by way of the Dow-Jones Industrial Stock Average.

Averages, as they are known to the average layman who meets them, are generally quite misleading. Probably this is because there are several different types. Each average has, however, its own specific meaning. This theory of meanings in averages and in all statistical data embraces a relatively simple set of concepts. Specifically, in the case of stock market averages, the easiest way of considering their meanings is to view each average as an investment.

With this very elementary idea in mind, it is best to view the Dow-Jones Industrial Stock Average as a specific investment of some sort, which as of Friday, March 18, 1955, was worth $404.75. On Friday, March 11, this investment was worth $401.08. It increased in value $3.67 or .9% during the one week period. The fact that the Dow-Jones average is in dollars and cents is significant since not all such indicators are; for example, Standard and Poor's, which is expressed in relative terms.

The big question at this point is what type of investment does the Dow-Jones Industrial Average represent? The answer is quite simple. That $404.75, for example, represents the closing value of your stock ownership, if you owned 17.36% of one share of each of 30 industrial common stocks; those 30 which are included in the Dow-Jones Average.

Has this investment always been the same? Certainly not. The industrial average created by Charles Henry Dow first appeared on June 5, 1896. At that time it was composed of only 12 industrial stocks. The method of computation was to sum up the daily closing prices of the included shares and divide by 12. In terms of an investment, as of that date, 8.33% of one share of each stock was included. The value of this combination was $40.94.

Almost from the inception, changes were made in the composition of the average in an attempt to make it more indicative of total stock market fluctuations. On Sept. 20, 1928 there was a major change. The method of computing the average, which by then included 20 different stocks, was revised to its current statistical form. A variable divisor was introduced. Prior to that date a "multiplier" method, similar to the present New York "Times" methodology, discussed below, was utilized. Eleven days later, on Oct. 1, 1928, the Dow-Jones Industrial Average was expanded to include 30 different stocks. There were changes in the stocks included from that date to March, 1939. Eleven were substituted for. Since then, however, to the present period there have been no changes in the 30 representative companies.

Although the members of the average have remained the same over the past 16 years, the "Dow-Jones investment" has varied. This is because of the way stock splits and other disruptive occurrences are compensated for in the average. A stock split is handled in the following manner. If the XYZ Company splits its stock 3 for 1, then only one-third of the previous holding is retained, and the other two-thirds is sold. The proceeds of this sale are then reinvested by Dow-Jones in all of its 30 stocks on a pro-rata basis. The investment is distributed so that an equal percentage of each share is purchased.

The most recent stock split which affected the average occurred on Jan. 24, 1955, when Goodyear, one of the 30 industrials, split their stock 2 for 1. The Dow-Jones investor promptly "sold" one-half of his Goodyear investment, and "bought" .38% of one share in each of the 30 industrials (including a re-purchase of .38% of a share of Goodyear). This fractional manipulation is indicative of the fact that it is physically impossible for a private investor who wanted to buy and retain the average, to continue to do so.

An examination of other popular stock market indicators points up the fact that none of them handle their investment portfolios as does Dow-Jones. For example, the New York "Times" industrial average, printed since 1911, invests in only 25 companies, 16 of which are, however, also common to the Dow-Jones average.

As indicated previously, 17.36% of one share in each of 30 companies is the present Dow-Jones investment. The percentage of company holdings is constant from company to company. In the "Times" average it varies. At present, for example, 80% of a Firestone share, and only 8% of a General Motors share are included. This is the result of the "Times" method of adjusting for stock splits. In contrast to the Dow-Jones procedure, if XYZ is split 3 for 1, all three shares are retained in accordance with the "Times" trading policy. As of March 18, the "Times" investment was worth $446.88. They too disregard dollar signs in print, preferring a simple 446.88.

A further contrast is illustrated by Standard and Poor's daily industrial average which began in 1928, and which views an investment even differently. On March 18 the S & P average was 371.74. This is a relative number, however, and has meaning only with reference to 1926, which is said to equal 100. Thus the S & P investment is worth 371.74% of what it was worth on the average in 1926. The original investment has risen in value 271.74%. On the other hand, the Dow-Jones and the "Times" averages are both absolute numbers, being measured in money terms. Standard and Poor's include 50 companies in their average, but weight each stock's value by shares outstanding. Let's say for a hypothetical example, that XYZ has 10 million shares outstanding and PQ has only one million. A Standard and Poor's average would count XYZ 10 times as heavily. Each company's stock is included in the S & P investment based on its importance, where importance is defined by them as shares outstanding.

One other measure of stock market values should be noted because many experts consider it the best of the whole lot. The measure is the Stock Prices Index of the Securities and Exchange Commission. A disadvantage is, however, that it appears only weekly. Its statistical method is similar to Standard and Poor's average in defining an investment, being a relative number. It is expressed as a percentage of average prices in 1939. The SEC index includes 265 stocks in its computations.

Now the stock market fan is given his choice of the indices considered here, and another 20 or so not even specifically mentioned in this article. Which should he follow? In spite of the fact that averages use diverse methods in computing their investments, studies have indicated that they do show a high degree of correlation in their portrayal of major stock market movements. All have a tendency to move together.

The three daily averages noted herewith measured price changes for the week March 11-March 18 as follows:

	March 11	March 18	Absolute Increase	Relative Increase
Dow-Jones (30 stocks)	$401.08	$404.75	$3.67	0.9%
N. Y. "Times" (25 stocks)	$446.19	$446.88	$0.69	0.2%
Stand. & Poor's (50 stks.)	367.51%	371.74%	4.23%	1.2%

Note that while there was some variation, the three tended to move in the same direction. This is generally true, particularly over longer-term periods.

In any event, all the averages are right in the sense that each measures exactly its own specific investment. However, since the statisticians occasionally change the definition of an investment, as noted, each indicator is comparable with only its own immediate predecessors. Over long periods of time, because the changes compound, they are not comparable. Therefore, it is not correct to compare Dow-Jones averages in 1955 with Dow-Jones averages in 1929. For example, the following table contains some of the stocks in the investment portfolios of the 1928 Dow-Jones, the 1955 Dow-Jones and the 1955 "Times" averages:

	March 18 Value	—Percentage of Whole Shares Included— Dow-Jones October, 1928	Dow-Jones March, 1955	N.Y. "Times" March, 1955
American Tobacco	65⅝	6.00%	17.36%	8.00%
Chrysler	68	6.00	17.36	32.00
Douglas Air	78	---	----	24.00
General Electric	49⅞	6.00	17.36	48.00
General Mills	73⅜	6.00	----	12.00
General Motors	94½	6.00	17.36	8.00
Johns Manville	87½	---	17.36	12.00
Procter & Gamble	94¼	---	17.36	----
Sears Roebuck	79⅝	6.00	17.36	16.00
Woolworth	49¼	6.00	17.36	----
Total Shares (number)		1.8	5.2	6.1

The crucial question about stock market averages is, of course, which, if any, is more representative of the trend of the total market? Certainly in terms of this simple definition (?) of stock market averages, no categorical answer may be given. Perhaps the only significant conclusion that can be reached at this point is that the average investor should welcome his Senators to the realm of the confused.

Wyeth Heads Phila. Office For Stone & Webster

PHILADELPHIA, Pa.—Stone & Webster Securities Corporation announces that Paul Denckla has retired from active business and that Stuart MacReynolds Wyeth is now in charge of its Philadelphia office, Packard Building.

Stuart M. Wyeth

Mr. Denckla, a Vice-President of the Securities Corporation, had been with the Stone & Webster organization, largely in sales and administrative capacities, since 1918.

Mr. Wyeth has been in the securities business in Philadelphia since 1945, the last 2½ years with Stone & Webster Securities Corporation.

Inv. Planning of South

WEST PALM BEACH, Fla.—Investors Planning Corporation of the South has opened offices in the Harvey Building. James G. Somerville is a principal.

Form M & M Brokerage

SALT LAKE CITY, Utah—M & M Brokerage Co. has been formed with offices at 325 South Main Street to engage in a securities business. John P. Mageras is a principal of the firm.

Instalment Buying—Now a Soft Spot in Our Economy

By WESLEY C. BALLAINE
Director, Bureau of Business Research, University of Oregon

Though agreeing concern over the growing volume of instalment debt is not warranted on credit grounds, Prof. Ballaine holds it has unstabilizing implications, because durable consumer goods usually purchased on instalments can, like capital investment, be deferred and thus cause fluctuations in their output and sales.

The trend toward the pledging of a larger proportion of family income for the payment of instalment debts is resulting in the growth of a force that tends toward economic instability. Instalment debt, incurred principally to finance the purchase of durable consumer goods, has been growing at a more rapid rate than disposable personal income.

Wesley C. Ballaine

It is the increasing importance of durable consumer goods that is the force tending to economic instability and not the monetary and credit aspects of a growing total of instalment credit *per se.*

According to Federal Reserve figures, instalment credit has been hovering between $21 billion and $22 billion since the middle of 1953. This is a sharp rise from the immediately preceding years: the total at the end of 1950 being $14.5 billion and at the end of 1939 but $4.5 billion. These figures are frequently compared to disposable personal income in order to give an idea of the debtors' ability to handle their obligations. On this basis, instalment debt outstanding has been runing a little over 6.5% of disposable personal income during the last year and a half, compared to 7.0% in 1950, and 6.4% in 1939. Although analyses of instalment debt are usually in terms that are designed to indicate its credit aspects, this approach is not pertinent to the purposes of the present discussion.

In the opinion of the writer, concern over the growing volume of instalment debt is not warranted on credit grounds. It is defensible, however, if attention is focused on the change it has caused in the type of goods produced and the fact that there are sharp variations in the rate at which these goods are manufactured. The rise in instalment debt has made possible a profound change in both American living and industry. The mass sale of automobiles and household durable goods could not occur without this type of consumer financing. If instalment credit outstanding for only automobiles and other consumer goods is taken (the figures in the preceding paragraph also include repair and modernization loans and personal loans), the monthly totals since the end of July, 1953, have been running between $15.2 billion and $16.1 billion, which is a marked increase from $10.7 billion at the end of 1950 and $3.1 billion at the end of 1939. The ratios of these figures to personal disposable income from the three periods are 6.3%, 5.2%, and 4.5%, respectively. There seems to be good reason to believe that the present trend for instalment debt incurred for the purchase of durable consumer goods will continue to grow both absolutely and relatively to disposable personal income.

This development has unstabilizing implications. At a time when we apparently rely on "built-in" stabilizers such as unemployment compensation, contraction in income tax receipts, and farm crop support prices automatically to go far in offsetting loss of income due to declines in business activity, we are developing a force which tends to destabilize by making the amplitude of business cycle variations greater than would otherwise be the case.

The purchase of durable consumer goods by instalment payment is an investment in living equipment. There is some analogy between this and investment in capital assets by manufacturing concerns and utilities. Obviously, the acquisition of durable consumer goods and producers' goods can, in many cases, be anticipated or postponed far more easily than expenditures for daily operations. In fact, investment by industry in capital assets is so unstable that several business cycle theories are based on factors that are assumed to explain the periodic variations in plant expansion. To the extent that consumer expenditures on expensive equipment become more important, we will find that they will vary in much the same pattern as business expenditures for capital goods. This will tend to counteract the "built-in" stabilizers on which we are placing considerable reliance.

Fluctuations in investment in equipment are partly due to variations in income anticipations. Although this is easier to ascertain in decisions made by business firms, it also applies to individual consumers. The widespread use of instalment credit probably tends to make consumer attitudes toward changes in income anticipations more sensitive. The default ratios on instalment contracts are surprisingly low which shows that people take these obligations seriously and generally make sincere efforts to pay them even in times of considerable personal financial stress. This means that in the low and middle brackets, family income free of prior commitment fluctuates relatively more with the business cycle than gross family income. Willingness to assume additional monthly payments probably varies with exception of free income after payments on contracts and necessities rather than with gross income. The decision of a family to postpone the purchase of a clothes dryer and an air conditioning unit may well be due to an income uncertainty would not be sufficiently serious to have this effect if part of the family income were not already pledged for payments on furniture, a television set, and a car, to say nothing of a house. This decision, if multiplied enough times, can cause serious unemployment in plants making clothes dryers and air conditioning units.

Not only do alterations in the rate of purchase of durable consumer goods cause substantial variations in the output of factories producing them, but these swings cause even wider swings in the investment in productive capacity for durable consumer goods. The growing importance to our economy of changes in the rate of output of durable consumer goods is well illustrated by the crucial role that activity in the automobile industry has been playing during the past year and a half.

The wide use of expensive durable consumer goods made possible by instalment financing results in what is generally accepted as a higher standard of living. However, it is also a force operating in the direction of greater economic instability. Changes in the strength of this force may be roughly approximated by ratios of instalment credit incurred to acquire durable consumer goods to net disposable income.

Mednick Brokerage Opens

SALT LAKE CITY, Utah—Mednick Brokerage Company has opened offices at 438 South Main Street to engage in a securities business. Melvin E. Mednick is a principal.

Form Northern Securities

SEATTLE, Wash. — Northern Securities, Incorporated, has been formed with offices in the Vance Building to conduct a securities business. Gordon C. Holt is a principal.

Science & Nuclear Dist.

PHILADELPHIA, Pa.—Science & Nuclear Distributors, Inc., is engaging in a securities business from offices at 1500 Walnut Street. Donald F. Bishop is a principal of the firm.

United Southern Secs.

(Special to THE FINANCIAL CHRONICLE)

NEW ORLEANS, La. — United Southern Securities Co., Inc., has been formed with offices at 460 Fairway Drive to engage in a securities business. Officers are J. R. Martin, President; L. S. Martin, Vice-President; and A. M. Brewer, Secretary and Treasurer.

Railroad Securities

Baltimore & Ohio

Baltimore & Ohio is off to a flying start so far this year in its long range program of reducing debt and charges, and simplifying the debt structure. This program was first accelerated late last year and the further progress reported to date in 1955 has been much more rapid than had been anticipated by even the most optimistic analysts. As the first step this year $40 million of Collateral 4s, 1965 (they were outstanding at $60 million as recently as Dec. 31, 1953) are being called, partly through the proceeds from a proposed new issue of $35 million serial bonds. There should be a sizable saving in interest costs by virtue of this operation, due to the reduction in the amount to be outstanding and the probability that the interest rate on the serials will be lower than on the larger amount of term bonds that had been outstanding.

As a second 1955 step the company last week petitioned the Interstate Commerce Commission for permission to guarantee $32 million Baltimore & Ohio Chicago Terminal 4% bonds which it now owns and wishes to sell privately. It is also proposed to sell the stock of the Chicago Terminal for $2,500,000. These securities are now pledged under the road's Refunding & General Mortgage 5s and 6s which were outsatnding as of the end of last year in the amount of $97,091,500. The indenture of these bonds provides that at the company's request the proceeds from the sale of the collateral shall be placed in a sinking fund to be used solely for retirement of Refunding & General Mortgage bonds. The bonds are callable for the sinking fund at par. This particular operation, when completed, could result in annual interest savings of very close to $2 million.

As of the end of last year, Baltimore & Ohio's combined fixed charges and contingent interest requirements had been reduced to an annual level of $23 million. When they are down to $22 million in any calendar year the heavy sinking funds that are provided for under the 1944 plan of voluntary debt readjustment are reduced materially, and when they are down to $20 million on an annual basis there is a further substantial cut in the sinking fund requirements. Payment of regular equipment trust maturities this year will mean a saving in annual fixed charges of approximately $400,000. Thus, with no more than the two projects that have already been undertaken with respect to long-term debt, augmented by equipment trust maturities, there would be an indicated reduction in combined fixed charges and contingent interest this year of roundly $2.8 million, bringing the total down to approximately $20.2 million by the end of the year.

While the above presents a very happy picture, most analysts believe that considerably more than has so far been outlined will be accomplished this year. Steps taken to date have not provided anything with respect to the various First Lien Bonds which are included in the overall plans of the company as outlined in its original petition to the ICC for exemption from competitive bidding. These bonds were outstanding as of the end of last year in the amount of $215,135,050 with an average interest cost of 4.46%. It is generally anticipated in financial circles that before the end of this year the company will consolidate these various issues into one blanket mortgage and refund the bonds now outstanding with the new mortgage either through public sale or exchange offers. This should bring a further substantial saving in annual interest costs.

All in all, it is being taken for granted in financial circles that by the end of this year the combined fixed charges and contingent interest of Baltimore & Ohio will be well below $20 million, and that the present heavy sinking funds will thus be substantially reduced. If this is so, a sharp increase in the dividend paying potentialities of the road is not far removed. As an example, in the prosperous year 1953 the income available for the common stock after allowing for all of the existing funds amounted to $1.20 a share. If charges had been at the $20 million level the available earnings for the common would have been boosted to $7.24 a share. Even that would have been after allowing for reasonable sinking funds and after providing out of earnings for capital improvements to the property.

Palmer York Forms Investment Firm

SAN FRANCISCO, Calif. — Palmer York, Jr., formerly general partner of Stewart, Eubanks, Meyerson & York, with two other associates in that firm, has organized the firm of York & Co. to deal in investment securities, notably mutual funds. It is qualifying for membership in the San Francisco Stock Exchange.

Palmer York, Jr.

The other general partners are Joseph F. Edelstein, research head, a governor of the Security Analysts of San Francisco, and Howard W. Proefrock, who will be sales manager.

Mr. York is serving his second term as President of the Yale Alumni Association of Northern California; it has 1,000 members.

Inv. Dealers of Canada To Hold Ann. Meeting

TORONTO, Canada — The Investment Dealer's Association of Canada will hold its 39th annual meeting and election of officers at the Manoir Richelieu, Murray Bay, Quebec, from Wednesday, June 15 to Saturday, June 18.

John S. Dinnick, McLeod, Young, Weir & Company, Limited Toronto will be chairman of a forum on "Expanding the Market for Securities." Principal speaker will be the Hon. Walter E. Harris, Minister of Finance.

On Friday, June 17, the speaker will be O. B. Falls, Jr., manager Power Equipment Study, General Electric Company.

Join Inv. Planning

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Walter J. Bateman, Edward B. Murphy, William J. O'Donnell, Everett A. Wood, and Cecil G. S. Young have joined the staff of Investors Planning Corporation of New England, Inc., 68 Devonshire Street.

Public Utility Securities

By OWEN ELY

Upper Peninsula Power Company

Upper Peninsula Power Company, with annual revenues of $4.5 million, is a small aggressively-managed utility in the Upper Peninsula of Michigan. In December, 1953, the company acquired the transmission and distribution facilities of the former Cliffs Power & Light Company and the northern electric distribution properties of Michigan Gas & Electric Company. This about doubled the company's revenues, which were also improved by a rate increase effective Aug. 21, 1953. A considerable amount of power was sold to the White Pine Copper development during the construction period resulting in substantial non-recurring earnings for Upper Peninsula Power. Moreover, hydro canditions were better than normal last year. Thus, share earnings amounted to $2.38 on 275,625 shares compared with $1.67 on 245,000 shares in the previous year. In 1955, the company expects to earn about $2 a share.

The company this year will complete a 69-KV transmission line, and the new Presque Isle generating station will be ready for operation in the latter part of this year. The company has also been working on an expansion program which, if successful, will extend its operating territory south about 60 miles from Ishpeming into the Escanaba Area. At the present time Escanaba has a municipal plant and buys its power requirements from a subsidiary of the Mead Paper Company.

Upper Peninsula Power has offered to purchase this Escanaba distribution system (which also serves the surrounding area) from Mead. If Escanaba votes to accept the company's offer, this will mean the construction of a new generating plant and interconnection of that area with the company's other properties by a transmission system.

To properly appraise the company, it is essential to consider the history of northern Michigan, which is virtually like a separate state, separated from the lower part by the Straits of Machinac. Strangely enough, the Upper Peninsula was originally a boom area because of its vast lumber, copper and iron resources. However, eventually the cream of these resources was skimmed off. The introduction of machinery into the mines meant that fewer workers were rquired. Moreover, about this time the automobile industry began to develop around Detroit, luring some of the working population from the Upper Peninsula. Thus, during the 1930 depression and the second World War the area became to be regarded as backward and it has even been designated as a "distress" area within recent years.

However, President John H. Warden of Upper Peninsula Power feels that the northern section of the state is now ready for tremendous redevelopment. A special study prepared in 1953 by the Michigan Economic Development Commission pointed out that it is one of the few remaining industrial location frontiers—within 500 miles there is a population of 50 million, a tremendous market. Many industries are expected to establish new or branch plants there during the next decade. Worker productivity is generally better than in other areas. There is also an adequate water supply of very good quality for industrial use. Another favorable factor is the pending completion of the bridge at the Straits of Machinac; ferry service across the Straits (which separates the two parts of Michigan) has not been satisfactory, and the bridge should encourage both tourist travel and industrial development. The completion of the St. Lawrence Seaway will also be a favorable factor.

Mining in northern Michigan is taking on a new lease of life. The heavy demand for copper and the relatively high price level have stimulated new enterprise. Calumet & Hecla, by unwatering of the Osceola Lode, has extended by many years the life of copper mining on Keweenaw Peninsula. The opening of the White Pine mines by the Copper Range Company, scheduled to produce at least 75,000,000 pounds of copper per year, is also an important factor. The iron mining industry in the territory is being revived and prolonged by the development of the low-grade Jasper ores in the Marquette Range. The Humboldt Mine has been operating for a year with satisfactory results, and the Republic Mine, which should develop twice as much ore as the Humboldt, should be in operation by the end of this year.

Even lumbering operations, which were supposed to have been completed with the cutting of white pine, are said to offer a perpetual supply of different hardwoods and pulpwoods, and there is a great deal of interest in the establishment of processing plants.

Despite the "non-growth" character of the area in the past, Upper Peninsula Power has shown a fairly steady growth, with only two years falling to show an increase; and the average residential use of electricity has more than quadrupled in the last 15 years.

The company's present capital ratios are 51% debt, 14% preferred stock, and 35% common stock equity. If it succeeds in acquiring the power interests at Escanaba, a good deal of new financing may be required; otherwise no public financing is scheduled for this year. The common stock has been quoted recently around 27, at which price it yields 5.2% and sells at about 13.5 times anticipated share earnings for this year.

Two With First California

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—James F. Ferron and Clarence D. Hague have become connected with First California Company, 647 South Spring Street. Mr. Ferron was formerly with Lester Ryons & Co.; Mr. Hague with Fairman & Co.

J. Logan Adds Four

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Bernard B. Flesot, William J. Gallagher, Bruce V. McBroom and Clarence B. Pickrell, Jr., have become affiliated with Standard Investment Co. of California, 210 West Seventh Street.

New Formula Simplifies Cold Sterilization of Food and Drugs

Dr. Ernest J. Henley and David Richmond of Columbia University report to American Chemical Society a patch of blue cellophane which becomes lighter in color as amount of radiation is increased can now be used effectively.

A new radiation detector that measures exposure by changes in color promises to simplify the cold sterilization of food and drugs, Dr. Ernest J. Henley of Columbia University reported on April 5 at the 127th national meeting of the American Chemical Society in Cincinnati, O.

High levels of atomic radiation can be measured easily by a small patch of blue celolphane which becomes lighter in color as the amount of radiation is increased, said Dr. Henley, who is assistant professor of chemical engineering at Columbia. The dye in the cellophane is fairly sensitive to the more penetrating radiations at levels of 100,000 to 10,000,000 roentgen units — the range used for radiation sterilization — the speaker observed, and the changes in the shade of color can be readily detected. The roentgen unit is the international unit of quantity of radiation.

Pieces of the cellophane could be placed on packages of food or drugs to be sterilized as well as at other locations where control of radiation exposure is desirable, he explained. Although the blue cellophane is potentially a very useful tool, the chemical engineer noted, it would not be satisfactory as a radiation warning device for human beings because it is not sufficiently sensitive to lower levels of radiation, which are biologically harmful.

For radiation measurements in the higher ranges, there are several chemical systems in use, Dr. Henley pointed out, but the necessary chemical analysis is somewhat time-consuming. He added that there are also electrical devices, but these are too cumbersome for many applications. The colored cellophane, which is available commercially, provides quick measurement and can be put in places which are not easily accessible to other systems, according to Dr. Henley.

At radiation exposures in excess of 100,000,000 roentgen units, the cellophane becomes brittle, the speaker stated. However, this dose is 100 times as high as that needed to sterilize foods. He reported that the dye alone, when dissolved in water or in certain chemical solvents, will effectively measure atomic radiation. Dr. Henley observed that the blue dye may also be useful for measuring and controlling chemical processes which employ high level penetrating radiations.

David Richmond, a chemist engaged in graduate research at Columbia, was co-author of Dr. Henley's paper, which was presented before the Society's Division of Polymer Chemistry.

Salomon Bros. & Hutzler Will Admit Partners

Salomon Bros. & Hutzler, 60 Wall Street, New York City, members of the New York Stock Exchange, on April 14 will admit Harry Brown, Robert J. Quinn, Irving Kaufman and Daniel M. Kelly to partnership. Mr. Brown will make his headquarters in the firm's Chicago office.

Western States Inv. Co.

TULSA, Okla.—Western States Investment Company is engaging in a securities business from offices at 9 West 9th Street. Wallace R. Hemming is a principal of the firm.

With Federated Secs.

(Special to THE FINANCIAL CHRONICLE)

BATON ROUGE, La. — H. H. Boyd, L. E. Boyd, Thomas S. E. Brown, A. B. Chaisson, J. W. Kemp, Jr., H. L. Newman, Sr., and Kenneth O. Tarter are now with Federated Securities Corp., Louisiana National Bank Building.

Hunter & Vanek With Cruttenden & Co.

William S. Hunter

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—William S. Hunter and Charles R. Vanek have become associated with Cruttenden & Co., 209 South La Salle Street, members of the New York and Midwest Stock Exchanges. Mr. Hunter was formerly with Straus, Blosser & McDowell and prior thereto with Lee Higginson Corporation. Mr. Vanek was with Blair & Co. Incorporated.

Davidson-Vink-Sadler Open Office in Wichita

WICHITA, Kans. — Davidson-Vink-Sadler, Inc. has been formed with offices in the Beacon Building to deal in municipal and corporate securities. A branch office will be maintained in St. Petersburg, Florida. Associated with the Wichita office will be J. O. Davidson, D. W. Vink, Bertha Adrian, Warren J. Cortner, Bob F. Larmer, Elizabeth Taylor, Walter L. Todd, Della Wilson and W. R. Welty of Independence. In St. Petersburg will be Clifford U. Sadler, R. Douglas Greenlaw, A. A. Kelly, Russell F. Neilson, George L. Roux, Peter B. Sholley and John Breymann, Jr., of Winterhaven.

G. C. Fillbach Opens

(Special to THE FINANCIAL CHRONICLE)

BURBANK, Calif.—Grover C. Fillbach is engaging in a securities business from offices at 226 East Olive Avenue. He was formerly with Walter G. Nielsen.

A New Molded Nylon Announced

Officers of the Barrett Division, Allied Chemical and Dye Corporation, reveal large-scale production and marketing of a type of nylon molding compound which opens up a wide range of applications for nylon in industrial and consumer products.

Carleton Ellis, Jr. and Harry Voskamp, Director of Sales and Sales Manager, respectively, of the Barrett Division of the Allied

Carleton Ellis, Jr. Harry Voskamp

Chemical and Dye Corporation, have announced the large-scale production of a new type of nylon molding compound which opens up a wide range of new applications for nylon in industrial and consumer products.

The new material, known chemically as caprolactam-type nylon, is also called nylon 6. It will be trademarked Plaskon Nylon 8200. It is the product of close cooperation among three divisions of Allied Chemical & Dye — Barrett Division, National Aniline Division, and Nitrogen Division. The Barrett and Nitrogen Divisions supply basic chemicals. National Aniline Division operates the Nylon production facilities at Hopewell and Chesterfield, Virgina. Barrett Division then takes over as the selling agent for for the new material.

It was stated that the material offers interesting new possibilities to molders and extruders. These include high tensile strength, excellent abrasion resistance, light weight, self-lubricating properties, good resistance to chemicals, high heat resistance, and excellent impact strength and toughness. It is now possible to produce larger parts with thicker sections because of improved moldability. On the basis of available data, Barrett technicians expect that the new nylon will be able to compete economically with less costly materials of lower strength.

Typical applications include gears, bearings, bushings, wire jacketing, and cable coating, valves, instrument housings, and coil forms.

It was also predicted that markets in the aircraft, automotive, electrical, hardware, and appliance fields will expand considerably with the entry of this new compound.

In speaking of the marketing activities of the new form of nylon, Harry Voskamp, Sales Manager, Thermo Plastic Resins, of the Barrett Division stated:

"A look at current and potential markets indicates an excellent future for Plaskon nylon. Based on the technical information, I would like to review a few typical parts that illustrate the various physical properties discussed. After this we will look at current markets and some of the possible expansions ahead.

"Gears, Bearings, and Bushings: (1) Abrasion resistance, resiliency, strength, and self-lubrication effect (low coefficient of friction). Resiliency allows slight deformation at stress points, recovers original shape. (2) Little or no tendency to wear because of its abrasion resistance. (3) Can be used in many applications without lubrication. (4) Also tends to reduce noise and vibration.

"The art of molding nylon gears is in its infancy and there is much yet to be learned. As more information is developed and new techniques discovered, we feel that the use of nylon in larger gears and in load-bearing gears and bearings will be greatly expanded.

"Wire Jacketing and Cable Coatings: For these products nylon is used primarily because of its abrasion-resistance, heat-resistance, toughness, flexibility over a wide range of temperatures, and ability to be colored for coding. Their coatings are flexible and light in weight and chemical- or corrosion-resistant.

"Coil forms and brush holders: Heat resistance, ability to be molded into intricate thin sections, and toughness.

"Cams: Durable operation because of abrasion resistance, no need for lubrication. Quiet, smooth operation.

"Valves: Corrosion and chemical resistance of nylon is excellent. Its moldability permits even the most complicated valve shapes to be produced.

"Mono-filament: Mono-filament made from Plaskon nylon has excellent tensile strength, flexibility, resistance to solvents, deterioration and heat resistance.

"Housings: Housings for instruments and other products where lightness in weight, heat resistance, and impact and corrosion resistance are factors.

"Our market surveys and product development work indicate continued expansion of nylon usage in many markets. Let us look briefly at some of the existing markets.

Aircraft

"Millions of feet of thin, lightweight, nylon-jacketed wire have been used by the aircraft industry. It provides a product that is resistant to heat, abrasion, attack by gasoline and oil, and at the same time nylon remains flexible over a wide range of temperatures. Gears, cams, and nylon-jacketed cables have been used, and their use should expand within this industry. Nylon parts for instruments and instrument cases should expand in their use. Extruded and vacuum-formed parts for interiors are a possibility of the future because of lightness in weight and their ability to take impact and resist wear. Coloring is possible for any desired effect.

Automotive

"The largest single industry use of nylon parts has been the automotive industry, where nylon interior dome light shields, gears, bushings, bearings, cams, locknuts, brush holders and door latch parts have been used. Some of the reasons for these parts being used are: (1) bushings, cams, gears — quietness of operation, self-lubricating, abrasion resistant; (2) locknut parts—resistance to vibration and corrosion; (3) expanding uses — load bearing gears and bushings—abrasion resistance, self-lubrication, quietness; (4) cable coating—corrosion or chemical resistance; (5) wire coating—heat resistance, abrasion, chemical resistance; (6) automatic lubrication systems where nylon tubing is proposed — strength, chemical resistance, ease of installing; (7) ball joints—self-lubricating, toughness, abrasion resistance; (8) replacing complicated die cast parts such as used in carburetors.

Electrical

"Coil forms — toughness, light weight, heat resistance; switch components—abrasion resistance; wire jacketing—heat and abrasion resistance and flexibility over a wide range of temperatures; expanding uses in light weight, tough, housings or cases—instrument gears, bearings, cams.

Textile Machinery

"The textile machinery industry has had many gear applications which have proved most valuable because of elimination of the use of lubricants. Many other specialized parts have been used in textile machinery. It is possible that picker blocks, bobbins, spools, and loom pickers, to mention a few parts, can be made from nylon because of the material's toughness and resistance to wear.

Equipment

"Business machine manufacturers are using nylon bearings, gears, cams, bushings, rollers, slides, etc., and nylon will continue to expand in this field as new business machines are developed that can take full advantage of nylon's outstanding characteristics. Housings may some day be nylon.

Hardware

"We feel this industry which now uses nylon in moderate quantity (latch mechanisms, drawer slides and rollers), holds many potential uses for nylon because of its toughness, resistance to wear, self-lubricating qualities. Design work will have to be done with this industry.

Appliances

"The appliance industry uses large quantities of nylon in rollers, slides, shaver parts. It is possible that some day clock housings, portable radio housings, and housings for other small appliances may also be made fror nylon.

Other Industries

"Other industries using nylo where expansion will continue t take place are:

"(a) Medical — sterilizatio quality

"(b) Tire—chaffing strip, tir cord

"(c) Fishing — spinning lin currently being used—What abou casting and trolling?

Consumer Goods

"Combs, brushes, buttons, zippers, tumblers, and table utensils. Why is nylon being used s widely? Because even though is a relatively costly plastic it ha qualities or physical propertie that make it an outstanding material for many uses. It has i many cases saved countless dollars of machining operations be cause of its ability to be molde into finished parts. We feel tha Plaskon Nylon 8,200 will allo for more complicated parts to b molded because of its higher me viscosity, lower mold shrinkag and its ability to mold void-fre large or thick sections."

Public and Private Debt Exceeds $700 Billion

Institute of Life Insurance says both the size of the debt and the rapidity with which it has grown has raised the natural question of prudence.

According to an estimate of the Institute of Life Insurance, the record-breaking growth of debt in the United States over the last decade and a half, which started with the Federal Government during World War II and was later paced by the private sector of the economy, has reached a new landmark—the $700 billion level.

Preliminary figures indicate that gross public and private debt combined rose by approximately $26 billion in 1954 to an estimated total of $709 billion at the year-end. Based on data compiled by the U. S. Department of Commerce, the 1954 debt figure was $246 billion or 53% above the 1945 total, and $493 billion or 228% greater than aggregate public and private borrowing at the end of 1940.

Implications Weighed

Both the size of the debt and the rapidity with which it has grown have raised the natural question of prudence, just how much of a debt burden the country can bear without affecting economic stability or the ultimate soundness of the dollar. Such questions are taking on added force these days since, with the return of a competitive economy, encouragement of debt is being used as an economic stimulus by the easing of credit terms for the purchase of all kinds of goods and for housing.

Of course, the growth of debt in the private sector of the economy in recent years has had the basis of the tremendous acquisition of assets by both business and individuals, and has also been accompanied by a high level of personal savings. For example, business expenditures for plant and equipment alone add up to around $213 billion for the nine years from 1946 through 1954. Close to $90 billion of new homes have also been built in this period, along with tens of billions of dollars of other construction. Consumer purchases of automobiles and durable goods have been at record levels. At the same time, personal savings have been maintained at high levels, as indicated by peak purchases of life insurance and the growth of other thrift institutions.

Size of Burden Indicated

The expansion in personal and in business assets and in savings has been far greater than the growth of private debt. Nonetheless, the burden is great. Rig now the total debt in the econ omy figures out at around $4,3 for every person in the populatio and personal debt alone is cu rently the equivalent of about $80 per capita.

All major classifications of de increased in 1954. The bigge gains were in personal debt an in state and local borrowing, b the gross Federal debt rose abou $4 billion to a new high of ap proximately $293 billion, and co porate debt was up nearly $ billion to an estimated $213 bi lion. Gross Federal debt include amounts owed by U. S. agenci and certain categories of debt n subject to the statutory limit.

The largest gain last year wa in the classification of individu and non-corporate debt, which i creased around $15 billion to a estimated total of $165 billio The leading factor in this expa sion was home mortgages, whic were up around $10 billion for th year to a total of approximatel $75 billion at the year-end. Th home mortgage increase in 195 was the largest annual expansio on record, and some of it reflec the little-or-no-down-payme home loans made possible by th 1954 housing legislation.

Factor of Personal Borrowing

For the period from the end World War II through 1954, aggre gate individual and noncorpora debt increased by approximatel $110 billion, or 200%. Home mort gages and consumed credit alon contributed approximately $70 bil lion of this increase, or more tha three-fifths.

Gross corporate debt at the en of last year was approximatel $113 billion above the total i 1945, but the rate of growt slowed down noticeably in 195 The rise of less than $2 billio for the year compares with one $9 billion the year before and wit a jump of $27 billion in 1949.

The need to build more school highways, and other essential serv ices for our expanding populatio brought a $5 billion rise in Stat and local debt in 1954. This wa the largest annual increase on rec ord and brought the total to a estimated $38 billion at the year end.

The Federal debt continues t be the biggest single element i the country's debt picture, an alone represented more than two fifths of the total at the end o

954. A long succession of unbalanced budgets is the reason. The Federal establishment has run a surplus in only three out of the last 25 years, and its debt now is five and one-half times greater than it was in 1940.

1929-54 Debt Trend

The following table gives the trend of gross public and private debt (in billions of dollars) over the last quarter of a century:

	Public		Private	
Year-End	Federal	State & Local	Corporate	Individ. & Noncorp.
1929	$17.5	$17.2	$107.0	$72.3
1933	27.7	19.8	92.4	50.6
1940	53.6	20.2	89.0	53.0
1945	292.6	16.6	99.5	54.6
1950	266.4	24.2	167.0	109.2
1952	279.3	29.6	202.4	135.7
1953	289.3	32.7	211.4	149.4
*1954	293.0	38.0	213.0	165.0

*Estimated.

Sources: U. S. Dept. of Commerce; Institute of Life Insurance.

Lehman-Blyth Group Offer Gen. Dynamics 3½% Conv. Debs.

Lehman Brothers and Blyth & Co., Inc., headed a nationwide underwriting group which offered yesterday (April 6) $40,000,000 of General Dynamics Corp. 3½% convertible debentures due April 1, 1975, at 102½%, plus accrued interest.

Net proceeds from the sale of the debentures will be used in the main for expansion and improvement of the corporation's manufacturing facilities, the acquisition of other properties and the further development and expansion of the activities of the corporation and its subsidiaries, with particular emphasis in the fields of electronics, nuclear energy, aircraft and guided-missile production, including atomic-powered aircraft and the manufacture of both conventional and atomic-powered submarines.

The debentures are convertible into common stock at $75 per share.

The issue will have the benefit of mandatory and optional sinking funds. Under the latter sinking fund, the company may retire $2,000,000 of debentures beginning April 1, 1960 through April 1, 1964. Under the mandatory sinking fund, the company is required to retire $2,000,000 of debentures annually beginning April 1, 1965 through April 1, 1974 and, at its option, may retire an additional $2,000,000 in each of these years.

General Dynamics and its Canadian subsidiary, Canadair Limited, are leading manufacturers of airplanes for military and commercial use. General Dynamics is engaged in the design, development and manufacture of guided missiles in the United States, and Canadair is participating in the Canadian guided-missile program. In addition, the corporation's Electric Boat Division is engaged in the design and manufacture of submarines, principally for the United States Navy and produced the world's first atomic-powered submarine, the U.S.S. Nautilus. General Dynamics is presently at work on the application of nuclear power to aircraft.

Net sales during 1954 totaled $648,641,241 and net income amounted to $20,795,472. Backlog of unfilled orders on Dec. 31 was estimated at $1,007,800,000 while contracts under negotiation approximated an additional $290,000,000.

With Investors Planning

PITTSBURGH, Pa.—Joseph V. Topol, Albert W. Schiffhauer, Earl E. Riley, Oscar G. Peterson, and George Lemberger have joined the staff of Investors Planning Corporation of Pennsylvania, 417 Grant Street, Pittsburgh, Pa.

British Budget Prospects

By PAUL EINZIG

Dr. Einzig reviews arguments pro and con regarding whether in the coming British Budget there will be increased or reduced taxation. Foresees probable delay in presenting the Budget to Parliament until autumn in order to see which way the economic trend is moving.

LONDON, Eng. — There have been remarkably conflicting Budget forecasts in circulation during the last month or two. The prophets usually agree on the question whether the Chancellor of the Exchequer is likely to reduce taxation or increase it, even if they disagree about the nature and extent of the prospective changes. On the present occasion politicians and financial experts have been until recently fairly evenly divided between those who believe that Mr. Butler is likely to make generous tax concessions and those who expect him to introduce an "austerity Budget."

Dr. Paul Einzig

Those who expect him to reduce taxation base their forecasts on the following arguments:

(1) The Government is bound to make concessions, as a bid for popularity on the eve of a general election. It could not possibly afford politically to increase taxation, or even to leave it unchanged at its present high level.

(2) The financial year is likely to close with a substantial revenue surplus. At the time of writing the surplus is estimated at £400 million. Even those who realize that under British fiscal practice such a surplus is automatically used for the reduction of public debt, and it is not stored up for distribution in the next Budget, feel that the favorable result would justify the forecasting of a large revenue surplus for 1955-56, which again would justify, from a purely fiscal point of view, extensive tax concessions.

(3) Even though, generally speaking, business continues to be prosperous, there are bad patches, such as the Lancashire textile industry suffering from Indian and Japanese competition and the furniture industry affected by the recent restrictions on instalment selling. The automobile industry is expected to be hit by Australian import cuts. These and other trades are in need of stimulus by means of tax concessions.

(4) Now that the increase of the bank rate and restrictions on credit expansion have been adopted, the Chancellor could afford to be liberal in the fiscal sphere without unduly risking inflation.

Those who expect Mr. Butler to increase taxation argue on the following lines:

(1) The political factor cuts both ways. The responsible section of British opinion would be favorably impressed by unpopular measures on the eve of a general election, in face of the unfavorable outlook of the balance of payments. It is recalled that in 1931 the government adopted unprecedented tax increases just before the general election, and in spite of this it secured the largest majority the Conservative Party obtained in modern times.

(2) A large part of the prospective revenue surplus has already been given away in the form of higher pensions and other social service benefits, the granting of equal pay of women in government service, etc. The surplus in 1954-55 has been largely the result of reduced expenditure through delays in arms deliveries. It seems probable that there will be no such delays in 1955-56.

(3) In spite of the high bank rate and credit restrictions, inflation continues unabated, mainly in the form of a continuously rising wages spiral. It would be a mistake to add to this by releasing purchasing power through tax concessions.

(4) The prospects of the balance of payments are very discouraging, and a drastic reduction of domestic demand is the only effective way in which sterling could be reinforced in the long run.

During the last week or two, a third school of thought emerged and is gaining ground in political circles. It holds the view that Mr. Butler will make no substantial changes in either direction; indeed he may make no changes at all. It is duly realized that a "standstill" budget is not popular, because the government is always expected to "do something." But it now seems that, should Mr. Butler favor a standstill budget, he would have an unanswerable excuse for it. At the time of writing it seems more than probable that the government will decide in favor of an early election, at the end of May or early in June, instead of waiting till the autumn as it originally intended to. Owing to the brevity of Parliamentary time, this could only be done if the Chancellor were to introduce an exceptionally brief and non-controversial finance bill. To that end the number and extent of changes would have to be reduced to a minimum. Indeed, under the British unwritten Constitution, all the Chancellor would have to do would be to introduce a two-clause finance bill providing for the renewal of income tax and one of the indirect taxes at the existing rates. Any changes would be left for a second budget and a second finance bill, to be introduced after the general election.

It would, of course, be possible for Mr. Butler to indicate in his budget statement on April 19 the broad outlines of the fiscal measures he intends to introduce in the new Parliament. There is no need for him to do so, however. Nor would it be necessary for him to introduce the second budget immediately after the opening of the newly elected House of Commons. He could wait till the autumn. By that time it might be clearer in which way the trend is moving, so that it will be easier for him to decide whether concessions are justified or whether the situation calls for austerity. Moreover, it would then be easier for him to adopt unpopular measures if such measures should be considered necessary. For this reason, it would suit him very well to hold his hand until the autumn, and to confine himself to a minimum of fiscal legislation in the meantime.

It is, of course, possible that strong pressure on sterling would develop during the electioneering campaign, resulting in heavy losses of gold. This might force the government to adopt stern measures at the earliest possible moment.

Bankers Offer Sealed Power Stock at $15.25

A. G. Becker & Co., Inc., of Chicago, headed an underwriting group which on April 5 offered 100,000 shares of $10 par value common stock of Sealed Power Corp., Muskegon, Mich., at a price of $15.25 a share. Of the total shares, 50,000 are being issued by the company and 50,000 are being sold by certain shareholders.

The company will use its proceeds from the stock sale for capital additions and improvements, principally for the expansion of production facilities. It produces piston rings and other metallic sealing rings in three plants in the United States and one in Canada.

Earnings in 1954 were $1,081,916 equal to $2.70 a common share.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following proposed transfers of memberships to be considered April 14:

William T. Starr to Charles P. Berdell, Jr.; Barclay K. Douglas to Augustus Adler; the late James F. Cooke to Robert B. Bregman; the late Arthur W. Sesselberg to Arthur W. Sesselberg, Jr.

Storer Broadcasting Common Stock Offered

Reynolds & Co. Inc. yesterday (April 6) headed a syndicate offering 262,750 shares of Storer Broadcasting Co. common stock at a price of $24.62½ per share.

Net proceeds from the sale of the common stock will be added to the general funds of the company. It is presently intended that of the net proceeds, approximately $5,000,000 will be used for the redemption of the company's 4½% notes (due 1955-1961) and the balance will be applied to the redemption of all or part of the 15,000 shares of the company's 7% cumulative preferred stock.

Storer Broadcasting Co. is the largest independent television and standard radio broadcasting owner and operator in the United States. Standard radio stations are operated in Atlanta, Ga.; Birmingham, Ala.; Miami, Fla.; Detroit, Mich.; Cleveland, Ohio; Toledo, Ohio and Wheeling, W. Va. Frequency modulation radio stations are operated in Detroit, Toledo, Atlanta, Miami, Wheeling and Cleveland, in conjunction with the company's standard radio stations in those cities. Seven television stations are located in Atlanta, Birmingham, Cleveland, Detroit, Toledo, Portland, Ore. and Miami. All of the company's television stations are affiliated with national networks, as are all of its standard radio stations, with the exception of WJBK in Detroit.

For the year 1954, the company and its wholly-owned subsidiaries engaged in radio or television broadcasting, had consolidated operating revenues of $17,736,531 and consolidated net profit of $3,680,779, equal to $1.62 per share on the common stock and the class B common stock.

Edwards & Hanly to Be Featured on WRCA-TV

Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y., Members of the New York Stock Exchange, will be featured on Quentin Reynolds' "Operation Success," WRCA-TV, Channel 4, Saturday, April 9, from 5:30 p.m.-6:00 p.m. Edwards & Hanly, the only stock brokers in the country selected for this show, were chosen because of their success in providing complete investment facilities for the people of Long Island.

Our Bobtail Military Manpower Policy

By ALF M. LANDON*
Former Governor of Kansas

One-time Republican Presidential candidate, foreseeing a long pull in the cold war with Communism, attacks proposed plan for military training and organized reserves, which he calls UMT "by the back door." Advocates military training be begun at the high school level. Approves concept that 80% of technical and military training be given over to civilian schools of all types.

Beginning with the demotion of Malenkov and his faction on Feb. 8, an unusual number of events have occurred of great consequence to free men all over the world.


Alf M. Landon

The Japanese election results — the first meeting of the South East Asia Treaty Organization — Iraq's mutual defense treaty with Turkey —the unexpected defeat of Communism in the Andhra state election in India — the West German-France and Italian ratification of Western European Union—all are a great contribution to the future peace and liberty in the world.

To that impressive list of victories for liberty and democratic processes can be added the English Labor Party members of the Parliament ousting from their ranks Aneurin Bevan—friendly to Soviet Russia policies—hostile to American-British friendship and association in organizing the mighty forces of freedom loving peoples to resist the steady encroachment of Communist tyrannical imperialism.

These monumental achievements can properly be attributed to the policy of assistance to nations resisting Communist aggression first formulated by former President Harry S. Truman—his Secretary of State James F. Byrnes and British Prime Minister Winston Churchill. They have been successfully strengthened by President Dwight D. Eisenhower and the British Foreign Minister Anthony Eden.

However, it is a great mistake to assume that there will be any sudden change in world conditions for the better.

If there is any dramatic immediate change, I think it will be for the worse.

I have long believed that if the Communists passed without overt act the rearming of Western Germany, the prospects of a Third World War would gradually diminish.

Therefore, the value to a peaceful world in the Truman-Churchill-Eisenhower foreign policies lies in the long pull rather than in any swift change in world conditions.

The strongest part of the whole business is that now Western European Union is in existence, the less conclusive its policies are, the more the chances of a Third World War diminish.

That is not only because of the internal situation in Russia but because the will to resist Communist conquest is increasing in the hearts and minds of free men —as the means to do so increases.

Fatalistic View of a Third World War Subsiding

I believe American fatalistic thinking of a year ago, that a Third World War was inevitable and we might as well get it over —is subsiding.

It would be as bad a mistake to believe that the end of the cold war is in sight.

I have long advocated that we should meet with other powers—including Russia—at every opportunity to discuss settlement of the disputed points. We must never abandon that goal.

However, it is beyond expectation that anything is going to happen right away to change the menace to the free world of Communist imperialism.

We Americans might as well make up our minds to that and settle down to the long pull.

Satisfied as we have every right to be with the progress of American policies to save the world for peace and freedom, we must prepare for a long life in an armed camp.

For the immediate present, I think it means armed existence instead of peaceful co-existence—localized military actions that might be a prelude to broad scale war. It means life in an armed camp for practically the entire world on a scale never heretofore known and for an undertermined period.

That is a new kind of existence for the American people. However, the older peoples of the world have that background. That is true whether it was tribal history as related in the Old Testament or the Golden Age of Greece of the Dark Ages.

In those days it was the custom to turn over captured towns to the victorious soldiers for torture —loot—rape and murder. Able-bodied captives were sold into slavery. The old—the infirm—the infants were left to their fate.

American pioneers faced death and torture from Indian raids 24 hours a day. What is the difference in being killed by an Indian arrow or an atom bomb?

What difference would it have made to the people of Jericho whether their wall was tumbled down by the trumpets of rams' horns or an H-Bomb. According to the 21st verse of Chapter Six of the Book of Joshua, "And they utterly destroyed all that was in city, both man and women, young and old, and ox and sheep and ass, with the edge of the sword."

We sprayed burning napthene on Japanese fishing villages in order to destroy their food producing value. The home front is the battle front as always. Only this time with the development of the long range bomber the attack —if war comes—will be concentrated on the American home front.

That uncertainty calls for a thorough and objective study of the possible effects of radioactivity on health and heredity and a cessation of unsupported scare stories until more facts are available.

I think the prospect of peace has improved as a result of American-British community of interests and leadership.

World Tension Will Continue

I do not believe anything is going to happen right away to lessen world tension or to relieve the Congress of the necessity of facing immediately the question of how best to integrate a large and effective military establishment into our expanding economy without permanent damage either to our democratic processes or to America's basic continuing requirements in educating future scientists and technicians.

Chancellor Murphy of Kansas University, President McCain of Kansas State College, President Malott of Cornell University, are all agreed that the need for long range planning as regards to military manpower is self evident.

They also agree that equally important is the need for long range planning as regards technical manpower.

Chancellor Murphy says. "The American people dare not lose the race for new knowledge and we are running against a competent well trained opponent — not the wishfully thought ignorant Russian peasant. The Russians are increasing the production of chemists, physicists and engineers at a far greater rate then we are in America, both percentagewise and in total number."

Last December, President McCain in a speech entitled, "Education — Newest Battlefield of the Cold War" summarized the facts of the sharp accelerations taking place in Russia—China and the satellite countries in the education of scientists, technicians and professional workers.

President Malott writes me, "I have just come back from two days in Washington spent discussing the impact on our colleges and universities under the new National Reserve Plan, and it has for us, I am afraid, many questions left unanswered."

That all adds up that three of the nation's top educators believe that Russia and her satellites have a hard-nosed calculating policy which faces up to the facts of technological and scientific warfare.

The Communists obviously recognize that well traied scientists and engineers are their most valuable asset. Assistant Defense Secretary Quarles at a recent Science Service dinner in Washington stated that in 1939 the United States turned out 50,000 graduate engineers as against less than 20,000 by the Russians while last year our total had dropped to 29,000 while the Russians had jumped to 54,000. That is simply a devastating commentary on the Congress' handling of America's manpower security activites.

Need for Scientific and Engineering Manpower

Despite mounting evidence of increased need by both the nation's industry and armed forces for scientific and engineering manpower, there does not exist in the Defense Department a civilian voice sufficiently awake to that crucial problem and sufficiently loud to overcome the poor judgment of the military and the Congress in dealing with the manpower problem.

The military man who has lived his mature life in a concentrated environment charged with the military security of America is handicapped in his knowledge of civilian requirements. But at that, military leaders in many ways have been far in advance of the Congress on that crucial manpower problem.

The Communists are realists. They do not believe in either the economic or political equality and fraternity philosophy. They do believe in training their youth in concepts of conformity—that all good comes from the Russian Soviet — and all evil from the decadent capitalistic democracies.

Unlike the American Congress, the Soviet is not yielding to the pressures of uninformed public opinion.

While the Congress fears the charge of creating an "intellectually elite" class — the Communists base their manpower policy on the crucial fact that a national reservoir of brains as well as brawn is imperative to a nation's existence.

I believe the philosophy that so far has influenced the Congress and some of our generals that in the National Defense Draft Act there should be no difference between an oil man and a scientist is self defeating.

In national defense the physicist or scientist is obviously far more important as a physicist or scientist.

Congress Military Reserve Plans Inadequate

The National Reserve Plan recommended to the Congress by the Department of Defense is really universal military training by the back door.

As a result, it is half-baked measure that is neither fish nor fowl.

It is not a truly operative reserve system because the plan is too nebulous, and it is not four-square UMT.

Apparently the Congress is not going to accept the bobtail universal military training plan suggested to it nor the rag-tag National Reserve Plan which did not provide for any practical way of enforcement or of organization.

Ignorance and crass politics are truly imperiling not only our national security but literally risking the lives of millions all over our country by failing to solve this increasingly vital problem.

I think another phase of our failure to solve this problem is that we failed to realize that in a cold war the weapons are political, economic and psychological. There again our colleges and universities provide the only source of personnel appropriately and accurately trained for cold war operations. We have ineptly waged a battle for the minds of men in this cold war we are engaged in.

The trouble with much of what we are doing seems to rise from the fact that generally we seem to be attempting to carry on a cold war with the means and methods of a hot war. Yet the more astutely we apply our capacities to winning the cold war, the more we forestall the possibility of a hot war. The problems of winning the cold war are not the same as those of winning a hot war.

The crucial problem of maintaining effective combat forces as well as a reservoir of scientists for a nation of our size and far flung commitments and for an unforeseen period that is neither peaceful nor broad scale war—to protect our democratic processes from two or three generations of youth hammered into the military mold — transcends the factor of pay or the concept of treating the incipient oil man or scientist on the same basis.

An Alternative

Because I have never criticized a policy without offering an alternative, I quote from a letter received from President McCain:

"Ever since the close of World War II I have been seriously concerned about our military manpower policy. At the time I was released from the service, I was in charge of the Naval Personnel Classification Program in the Bureau of Naval Personnel in Washington, D. C. Some friends in Congress consulted with me about the UMT program then under consideration. I prepared for their guidance a plan that I still consider feasible under which the nation's civilian schools and colleges would carry on most of the technical training needed for our armed services.

"There are several advantages to such a plan. In the first place, I learned from my own close association with military training programs during the war that our civilian schools and colleges offered training for approximately 80% of the specialties for which trained personnel are required in the armed services. Secondly, if such training were made the responsibilities of civilan schools during peace time, it could be undertaken without interrupting the civilian education of our young people."

Chancellor Murphy has somewhat the same idea. He writes me:

"Although it is in outline (and no solution will be ideal considering all facets of the problem), these facts should be considered:

"(1) In the United States today, certainly the bulk of the young people go as far as high school. Therefore, I should think that there should be a strong expansion of military ROTC work at the high school level, with a guaranteed connection with a continuing National Guard relationship during summer periods and the like.

"Here then at least the military loaf would be leavened by the normal educational yeast and the largest percentage of our American youth will have a basic military experience which could continue through the medium of the National Guard.

"(2) Our college ROTC programs should be sharply expanded and supported; while at a somewhat higher intellectual level the reserve military leadership can get even more advanced training, and again a continuing relationship to the National Guard and/or the reserve components can be guaranteed. But note also that this military training at the college level over a four-year period will not interfere with the continuing training of the scientists and engineers, which we need even more than we do the infantry soldier."

Neither of these essentially the same plans of course is a complete answer, but they could be by and large a good one if the professional military would support the National Guard and a truly reserve set-up.

The top military tend to drag their feet because they believe it must be done under a strictly full-time military situation.

The Congress continues to allow our manpower policies to be dictated too much by an uninformed public opinion and the scramble for funds between the Navy, the Army and the Air Force.

I heartliy approve President McCain's concept that 80% of the training should be given in civilian schools of all types. Why not? That is where this kind of a training belongs in a republic. It would be tragic indeed—if this all important phase of our national existence and future—should be taken out of the hands of the civilian education system and put under the control of either industry or military.

I also heartily approve of Chancellor Murphy's suggestion that the ROTC work could be expanded at the high school level with actual training periods in the National Guard for a definite and specific number of years.

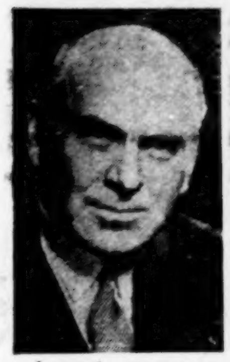
There cannot be any reasonable arguments against having the nation's civilian schools and colleges carrying most of the technical training needed by the country—whether for military or civilian purposes.

I believe the best thing than can be done for our country is to make sure that the armed services do not over-reach themselves and compel them to function in their proper sphere.

*An address by Mr. Landon before the Rotary Club, Manhattan, Kansas, March 21, 1955.

News About Banks and Bankers

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED CAPITALIZATIONS


John J. McCloy

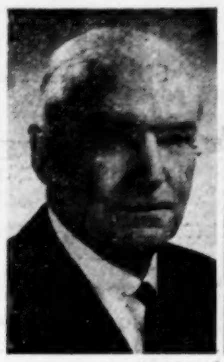

J. Stewart Baker


David Rockefeller


L. C. Marshall


Edward L. Love


George Champion


Percy J. Ebbott


Graham B. Blaine

The Chase Manhattan Bank, of New York representing the merger of the **Chase National Bank** and the **Bank of the Manhattan Company**, opened for business on Friday, April 1. Four days earlier, on March 28, (as noted in our March 31 issue, page 1507), the shareholders of the two institutions approved the merger by a record vote. The New York State Superintendent of Banks and the Federal Reserve Board gave final approval on March 31 and the two banks were formally joined as of the close of business the same day. At the Chase shareholders meeting, held the forenoon of March 28 at the bank's head office, a total of 6,405,062 shares, representing 86.55% of the bank's 7,400,000 shares outstanding, were voted in favor of the merger, while 20,990 shares were voted against. At the afternoon meeting of Manhattan shareholders at 40 Wall Street, 2,301,034 shares or 83.6% of the 2,750,000 shares outstanding, were voted for the merger, compared with 14,419 shares voted against. With total assets of more than $7,500,000,000, the Chase Manhattan becomes the largest bank in New York. The proposal to merge the Chase and the Manhattan was originally announced by the managements of the two banks on Jan. 14. The new **Chase Manhatan Bank** has a total of 95 offices in four of New York City's five boroughs; 36 in Manhattan; 35 in Queens; 15 in the Bronx, and nine in Brooklyn.

THE CHASE MANHATTAN BANK, N. Y.

	Mar. 31,'55 $	*Dec. 31,'54 $
Total resources	7,596,575,718	5,908,131,518
Deposits	6,865,133,336	5,378,938,699
Cash and due from banks	2,018,131,240	1,445,717,409
U. S. Govt. security holdgs.	1,701,666,145	1,435,026,215
Loans & discts.	2,974,014,748	2,256,656,570
Undiv. profits	64,553,729	47,264,940

*Chase National Bank of the City of New York only.

Charles M. Spofford, a member of the law firm of Davis Polk Wardwell Sunderland & Kiendl, was elected a Director of **Guaranty Trust Company of New York** yesterday (April 6) to fill the vacancy created by the death of his late partner, John W. Davis. Mr. Spofford is a graduate of Yale University and Harvard Law School. During World War II he attained the rank of Brigadier General in the United States Army and from 1950 to 1952 he was United States Deputy Representative, North Atlantic Council, with the rank of Ambassador and at the same time Chairman, North Atlantic Council Deputies.

* * *

Chemical Corn Exchange Bank of New York has elected Arthur B. Tickle, Jr. to its Brooklyn Advisory Board, it was announced on April 1 by N. Baxter Jackson, Chairman. Mr. Tickle is Vice-President of Arthur Tickle Engineering Works, Inc.

CHEMICAL CORN EXCHANGE BANK, NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	2,855,063,936	2,901,737,163
Deposits	2,582,211,612	2,624,475,494
Cash and due from banks	724,203,971	647,566,436
U. S. Govt. security holdgs.	648,114,025	828,967,349
Loans & discts.	1,051,098,636	975,580,137
Undiv. profits	20,901,103	19,059,617

Adrian M. Massie, Chairman of the Board, of **The New York Trust Company**, announced the following promotions and appointments on April 1:

Byron B. Porter, Assistant Treasurer and Henry Lanier, Jr., Assistant Secretary were promoted to Assistant Vice-Presidents;

Carl H. Bruns, Assistant Trust Officer and Russell R. Johnson, Assistant Secretary were promoted to Trust Officers.

John S. Brayton, Jr. and Henry P. Warren, III were appointed Assistant Treasurers.

THE NEW YORK TRUST CO., NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	868,253,698	849,175,767
Deposits	766,432,816	751,495,215
Cash and due from banks	262,885,771	228,908,231
U. S. Govt. security holdings	203,271,456	259,569,835
Loans & discounts	344,964,007	316,507,039
Undivided profits	7,005,632	16,512,489

* * *

Gustav S. Fischer, Assistant Treasurer of **The Hanover Bank, New York** was elected on April 1 as President of the **New York State Safe Deposit Association.** Other new officers, all from New York City, include: First Vice-President, Edward J. Schaurer, Assistant Secretary of **The Dollar Savings Bank**; Second Vice-President, Albert W. Kellett, Assistant Cashier of the **Williamsburg Savings Bank**; Secretary, Thomas F. Henderson, Manager of the **Parish Safe Deposit Co.**; and Treasurer, John H. Hugg, Manager of the **Bowery Savings Bank**'s safe deposit department. New Executive Committeemen are George E. Suppes, Assistant Treasurer, **Bankers Trust Co.**, and Frances M. Boos, Executive Vice-President and Secretary, **Chemical Corn Exchange Safe Deposit Co.**

Mr. Fischer is in charge of the safe deposit operations of The Hanover Bank. The New York State Safe Deposit Association, founded in 1906, claims to be the largest organization of its kind. Its membership blankets the State and also includes many banks and safe deposit companies throughout the United States and in 10 foreign countries.

THE HANOVER BANK, NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	1,661,744,579	1,786,660,818
Deposits	1,469,726,578	1,590,583,753
Cash and due from banks	394,660,141	435,439,110
U. S. Govt. security holdgs.	480,653,746	585,783,352
Loans & discts.	665,387,531	642,404,883
Undiv. profits	21,123,035	23,623,004

* * *

THE FIRST NATIONAL CITY BANK OF NEW YORK

	Mar. 31,'55 $	*Dec. 31,'54 $
Total resources	7,082,386,485	6,323,104,786
Deposits	6,250,879,365	5,639,188,380
Cash and due from banks	1,662,946,692	1,311,011,894
U. S. Govt. security holdgs.	1,747,791,266	1,842,996,802
Loans & discts.	2,669,484,067	2,337,065,556
Undiv. profits	54,313,395	52,662,613

*The National City Bank of New York only.

* * *

The **Manufacturers Trust Company's in New York,** Columbus Circle Office was moved on April 4 to a new location at 969 Eighth Avenue at the southwest corner of 57th Street. Edward J. Korbel is the Officer-in-Charge. For the past 10 months, this office has been in temporary quarters at 9 West 61st Street because its former site, at 1819 Broadway, was required for the new New York Coliseum. The old Columbus Circle Office traced its ancestry back to the **Gotham National Bank** which was acquired by Manufacturers Trust on May 29, 1925.

MANUFACTURERS TRUST CO., N. Y.

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	2,798,205,348	3,052,678,274
Deposits	2,539,246,511	2,801,859,811
Cash and due from banks	714,285,712	883,150,007
U. S. Govt. security holdgs.	857,110,206	985,651,523
Loans & discts.	860,014,297	830,056,311
Undiv. profits	41,291,876	38,823,767

* * *

On April 1 the appointment of Michael J. Nicolais, George A. Splain, Jr. and James H. Von Frank as Assistant Secretaries of **Manufacturers Trust Company of New York** was announced by Horace C. Flanigan, President. Messrs. Nicolais and Splain are assigned to the bank's Real Estate and Mortgage Department, and Mr. Von Frank to the bank's office at 510 Fifth Avenue at 43rd Street.

* * *

Appointment of Leod M. Goss as Far Eastern Representative of **Manufacturers Trust Company,** with headquarters at 326 Dai-Ichi Building, Yurakucho, Chiyoda-Ku, Tokyo, Japan, was announced on April 5 by President Flanigan. Mr. Goss succeeds Tristan E. Beplat, Vice-President, who for the last six years has been the bank's Far Eastern representative and who is returning to its head office in New York, where he will be in charge of the Far Eastern Division of the Foreign Department, under the supervision of Andrew L. Gomory, Senior Vice-President.

* * *

CITY BANK FARMERS TRUST CO., N. Y.

	Mar. 31,'55	Dec. 31,'54
Total resources	159,897,872	143,162,206
Deposits	122,498,975	105,075,462
Cash and due from banks	38,005,210	27,596,547
U. S. Govt. security holdings	81,221,933	85,045,118
Loans & discounts	12,263,317	4,658,939
Undivided profits	12,016,751	12,037,611

BANKERS TRUST COMPANY, NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	2,179,603,608	2,279,456,084
Deposits	1,930,954,769	2,028,542,721
Cash and due from banks	527,149,831	583,707,070
U. S. Govt. security holdgs.	429,350,338	499,559,659
Loans & discts.	1,050,130,916	1,029,841,535
Undiv. profits	54,527,662	52,550,850

* * *

THE MARINE MIDLAND TRUST CO. OF NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	463,177,956	486,742,399
Deposits	415,543,166	443,503,709
Cash and due from banks	119,506,709	142,444,319
U. S. Govt. security holdings	112,427,293	112,714,284
Loans & discounts	214,678,532	219,473,871
Undivided profits	7,560,576	7,568,700

* * *

J. P. MORGAN & CO., INCORPORATED, NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	872,310,106	839,595,862
Deposits	782,530,300	744,600,064
Cash and due from banks	223,076,450	188,883,571
U. S. Govt. security holdings	223,585,490	177,226,641
Loans & discounts	304,354,531	360,841,485
Undivided profits	12,143,061	11,371,228

* * *

BROWN BROTHERS HARRIMAN & CO., NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	220,260,093	239,616,364
Deposits	187,662,806	207,241,010
Cash and due from banks	51,015,843	55,196,899
U. S. Govt. security holdings	52,875,929	58,940,180
Loans & discounts	47,116,717	52,480,489
Capital and surplus	14,425,284	14,405,284

* * *

J. HENRY SCHRODER BANKING CORPORATION, NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	110,463,621	131,112,733
Deposits	76,181,950	94,178,315
Cash and due from banks	15,520,943	17,868,359
U. S. Govt. security holdings	43,829,754	59,843,861
Loans & discounts	22,546,415	22,777,254
Surplus and undivided profits	4,762,314	4,754,838

* * *

SCHROEDER TRUST COMPANY, NEW YORK

	Mar. 31,'55	Dec. 31,'54
Total resources	$69,765,770	$86,496,897
Deposits	62,854,074	79,233,404
Cash and due from banks	10,641,360	11,900,195
U. S. Govt. security holdings	46,529,621	58,615,238
Loans & discounts	11,538,287	14,854,889
Surplus and undivided profits	2,513,310	2,509,382

* * *

THE STERLING NATIONAL BANK & TRUST COMPANY OF NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	148,008,077	155,009,172
Deposits	136,489,083	143,609,932
Cash and due from banks	34,847,296	39,407,616
U. S. Govt. security holdings	37,286,385	42,534,237
Loans & discounts	63,694,847	68,280,572
Undivided profits	1,568,481	1,536,220

* * *

GRACE NATIONAL BANK OF NEW YORK

	Mar. 31,'55 $	Dec. 31,'54 $
Total resources	147,856,183	150,584,821
Deposits	126,630,564	128,950,463
Cash and due from banks	36,772,948	38,757,657
U. S. Govt. security holdings	47,107,538	47,436,339
Loans & discounts	48,698,120	50,660,844
Undivided profits	1,372,303	1,190,054

* * *

A special meeting of stockholders of **Clinton Trust Company of New York** has been called for April 27, to vote on an increase in the bank's capital stock and to approve an offering of the additional shares to stockholders, Edward W. Smith, Chairman, announced on April 1. Directors propose to increase the authorized $10 par value capital stock from 120,000 shares to 130,000 and to offer the additional 10,000 shares for subscription by stockholders at $20 a share at the rate of one additional share for each 12 shares held on April 15, 1955. The subscription offer will expire on May 20, next.

CLINTON TRUST COMPANY, NEW YORK

	Mar. 31,'55	Dec. 31,'54
Total resources	$34,427,829	$35,428,120
Deposits	31,929,596	32,898,225
Cash and due from banks	8,269,170	8,567,151
U. S. Govt. security holdings	12,530,159	12,577,510
Loans & discounts	11,016,873	11,262,674
Surplus and undivided profits	1,095,298	1,177,640

GUARANTY TRUST CO. OF NEW YORK

	Mar. 31,'55	Dec. 31,'54
Total resources	3,020,375,779	3,094,206,063
Deposits	2,542,004,971	2,600,445,256
Cash and due from banks	698,374,836	547,650,052
U. S. Govt. security holdgs.	750,042,509	990,949,762
Loans & discts.	1,380,542,059	1,369,320,780
Undiv. profits	102,840,648	100,598,028

* * *

The Central National Bank of Yonkers, N. Y. will establish a branch office in the Northeast section of Yonkers, it was reported on March 23, by Gerald S. Couzens, President, it is learned from the "Herald Statesman" of Yonkers—which in part also said:

"The Comptroller of the Currency has approved the bank's application for an office at 2030 Central Park Avenue, at the northeast corner of Central Park Avenue and Verona Avenue.

"The location has been selected," said the bank President, "because of the accessibility to one of the most rapidly growing sections of the City of Yonkers. In the opinion of the bank's directors, Central Park Avenue, north of Tuckahoe Road, is enjoying and will continue to enjoy a substantial growth in business due to both the increase in population in the area and also because of the displacement of many establishments as a result of the New York State Thruway on the southern part of the Avenue."

* * *

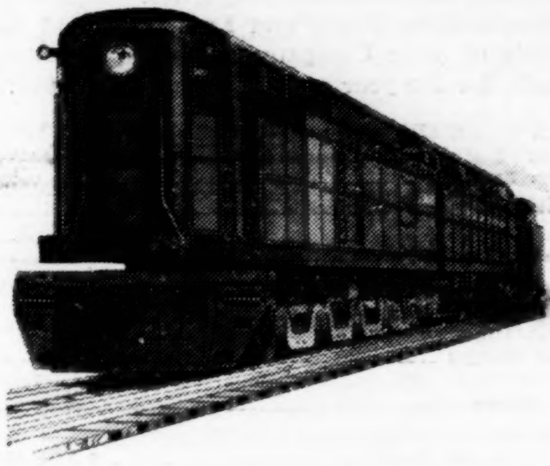
Plans to consolidate three Westchester national banks—viz.: **National Bank of Westchester, Westchester County National Bank of Peekskill** and **The Crestwood National Bank in Tuckahoe, N. Y.** received approval from the stockholders of each bank at special meetings held this week, it was announced by Ralph T. Tyner, Jr., Clifford Couch and Ralph B. Feriola, Presidents of the three banks. Extensive reference was given in our issue of March 10, page 1142, to the plans for the union of the three banks under the name of **National Bank of Westchester** which will become effective as of the close of business, April 8, after the expected approval of the stockholders' action has been received from the Comptroller of the Currency in Washington. Westchester County National Bank of Peekskill traces its origin to 1833 and is one of the oldest banks in the County. The Crestwood National Bank is Tuckahoe was founded in 1933. A two-thirds affirmative vote from stockholders was necessary for approval of the consolidation; 81% of National Bank of Westchester stockholders it is stated voted in favor of the consolidation; 86% of Westchester County National Bank of Peekskill stockholders approved, while 87% of the stockholders of The Crestwood National Bank in Tuckahoe approved.

It was also announced that the stockholders of each bank approved at the same meetings a proposal to increase the capital stock of the newly consolidated bank by 102,250 additional shares of $5 par value stock. It is added that each shareholder of the consolidation will have the right to subscribe on a pro rata basis for these shares at a price of $22.50. Shareholders will be entitled to subscribe for one additional share for each six shares already held. Each shareholder will be able to purchase these additional shares 35 days after April 8, 1955. The capital stock of the new consolidation, after the issuance of the additional shares, will be $3,578,750 divided into 715,750 shares of common stock of $5 par value. The combined surplus of the three banks will be $5,174,375 and undivided profits of about $1,357,000. Total capital including re-

Continued on page 33

Norfolk and Western RAILWAY COMPANY

Summarizes 1954 Results



The general decline in business acitivity in the first three quarters of 1954 was felt keenly by the Bituminous Coal industry as well as by the Company. However, by improving operating efficiency and effecting tax and other savings, the reduction in net income for the year was limited to about 6 per cent, in spite of a drop of 11 per cent in total revenues. At the same time a larger percentage of total operating revenues was brought down to net income—15.46 per cent, up from 14.81.

The cost of improvements to facilities during the year totaled $17.7 million, which was paid for without incurring any indebtedness.

A significant development was the acquisition of the Chesapeake Western Railway, a 53-mile connecting railroad serving a prosperous and stable territory in the Shenandoah Valley of Virginia.

N & W BRIEFS

	1954	1953	1952	1951	1950
Earnings per share of Common Stock	$4.52	$4.83	$5.05	$5.31	$5.05
Dividends declared per share —					
Adjustment Preferred Stock	$1.00	$1.00	$1.00	$1.00	$1.00
Common Stock	$3.50	$3.50	$3.50	$3.50	$3.50
Taxes (millions)	$27.5	$37.1	$39.6	$49.4	$35.1
Expenditures for Property and Equipment acquisitions and improvements (millions)	$17.7	$32.4	$28.8	$28.5	$23.3
Debt Outstanding (millions)	$35.8	$35.8	$35.8	$41.9	$43.9
Times Fixed Charges Earned	19.24	20.60	20.25	18.83	17.03
Number of Share Owners	31,818	31,022	29,500	26,551	22,607
Bituminous Coal Tonnage (million tons)	40.1	45.5	46.5	52.7	46.4
Other Tonnage (million tons)	16.2	18.2	17.7	19.0	16.7
Average Revenue per ton carried one mile (cents)	1.038	1.050	1.025	0.947	0.948
Gross ton miles per freight train hour	72,670	71,991	68,820	68,280	64,766
Miles of road operated	2,134	2,135	2,135	2,135	2,128

Although Bituminous Coal tonnage originating on Norfolk and Western declined 10.7 per cent, it amounted to 9.7 per cent of national production, which was the highest ratio achieved since 1941. The Management continues to be optimistic as to the future of Bituminous Coal, and believes that output will show definite improvement in 1955 with heavier Company loadings.

CONDENSED INCOME STATEMENT

REVENUES AND OTHER INCOME:	1954	1953	Increase or Decrease		Per Cent
Freight—Bituminous Coal	$ 92,387,158	$ 103,504,435	Dec.	$ 11,117,277	11
Other	65,640,612	73,036,908	Dec.	7,396,296	10
Passenger	4,049,316	4,913,775	Dec.	864,459	18
Mail, Express and Miscellaneous	7,982,653	8,105,151	Dec.	122,498	2
Total Railway Operating Revenues	170,059,739	189,560,269	Dec.	19,500,530	10
Rent Income—Equipment and Joint Facilities—Net	9,139,335	11,692,489	Dec.	2,553,154	22
Other Income—Net	1,646,380	1,781,613	Dec.	135,233	8
Total	180,845,454	203,034,371	Dec.	22,188,917	11
EXPENSES AND OTHER CHARGES:					
Way and Structures— Repairs and Maintenance	24,704,904	27,132,258	Dec.	2,427,354	9
Equipment— Repairs and Maintenance	35,891,876	40,229,811	Dec.	4,337,935	11
Transportation—Operations	53,682,136	57,661,174	Dec.	3,979,038	7
Other Expenses	11,351,500	11,426,385	Dec.	74,885	1
Total Railway Operating Expenses	125,630,416	136,449,628	Dec.	10,819,212	8
Taxes—Federal . $19,429,450 State, County, Local and Miscellaneous . 8,062,720	†27,492,170	37,075,655	Dec.	9,583,485	26
Interest on Funded Debt	1,431,668	1,431,668			
Total	154,554,254	174,956,951	Dec.	20,402,697	12
NET INCOME	26,291,200	28,077,420	Dec.	1,786,220	6
DIVIDENDS ON ADJUSTMENT PREFERRED STOCK	887,108	879,608	Inc.	7,500	1
	*25,404,092	27,197,812	Dec.	1,793,720	7
SINKING AND OTHER RESERVE FUNDS—APPROPRIATIONS	450,876	450,876			
BALANCE TRANSFERRED TO EARNED SURPLUS	24,953,216	26,746,936	Dec.	1,793,720	7

†Equivalent to $4.89 per share of Common Stock, compared with $6.59 in 1953.
*Equivalent to $4.52 per share of Common Stock, compared with $4.83 in 1953.

CANADIAN PACIFIC RAILWAY COMPANY

Seventy-fourth Annual Report of the Directors to the Shareholders (Abridged)

HIGHLIGHTS

YEAR'S RESULTS:	1954	1953	Increase or *Decrease*
Gross Earnings	$ 422,642,423	$ 470,571,371	*$47,928,948*
Working Expenses	395,609,497	441,686,799	*46,077,302*
Net Earnings	27,032,926	28,884,572	*1,851,646*
Ratio Working Expenses to Gross Earnings	93.6%	93.9%	*.3%*
Other Income	$ 17,835,319	$ 16,802,051	$ 1,033,268
Interest and Rental Charges	15,041,997	14,236,161	805,836
Dividends—Preference Stock	3,091,101	3,130,586	*39,485*
—Ordinary Stock	20,714,318	20,710,474	3,844
Balance for Modernization and Other Corporate Purposes	6,020,829	7,609,402	*1,588,573*
YEAR-END POSITION:			
Property Investment	$1,694,213,632	$1,610,001,777	$84,211,855
Other Investments	172,555,069	179,766,333	*7,211,264*
Funded Debt	172,793,500	126,114,000	46,679,500
Reserves	601,920,444	571,675,089	30,245,355
Working Capital	109,131,467	90,593,778	18,537,689
TRAFFIC:			
Tons of Revenue Freight Carried	54,205,877	59,256,634	*5,050,757*
Revenue Passengers Carried	9,528,589	9,426,934	101,655
Revenue per Ton Mile of Freight	1.46c	1.42c	0.04c
Revenue per Passenger Mile	2.82c	2.82c	---
EMPLOYEES:			
Employees, All Services	87,072	95,211	*8,139*
Total Payrolls	$ 287,120,929	$ 311,943,927	*$24,822,998*
Average Annual Wage	$ 3,298	$ 3,276	$ 22

As your Company approaches the three-quarter century mark, your Directors have the honour of reporting on the results and developments of the year just past.

The year 1954 saw a decline from the high levels of economic activity which characterized the two previous years, and an intensification of competition in business generally. Gross railway earnings decreased $48 million, or 10% from the previous year. The decline in the volume of freight traffic in terms of revenue ton miles was 14%.

The greater part of the reduction in traffic volume was accounted for by a decrease of about one-third in the movement of grain and grain products because of reduced export demands. It is significant that while decreases were also recorded over a wide range of manufactured and miscellaneous goods, there were many commodities which showed increases. After mid-1954, an improvement occurred in the trend of traffic.

The decrease in traffic necessitated a strict control of expenses. The reduction in outlay for maintenance was greater proportionately than the drop in traffic volume. This was accomplished by the elimination of all but the most pressing maintenance work. Substantial operating economies were effected through a further increase in the use of diesel power. By these means, the decrease in net railway earnings was held to $1.9 million.

The results for the year represent a return on net railway investment of 2.15%, as compared with 2.40% in 1953. The continuing low level of results of recent years, due to the failure of revenues to increase as rapidly as expenses, has been of great concern to your Directors.

It is encouraging to see that there is a growing awareness, as indicated by recent public discussion, of the urgent necessity of affording relief from the burden imposed by statutory and related grain rates at which about one-third of the traffic volume of your railway moves. Attention is being drawn increasingly to the fact that these rates constitute a major factor contributing to the serious inadequacy of railway revenues which your Company has experienced for a number of years.

Dividend income from The Consolidated Mining and Smelting Company of Canada, Limited, was higher, and net earnings from your hotel and communication properties increased. The results of the operations of your ocean and coastal steamships were again unfavourable. Other Income amounted to $17.8 million, an increase of $1 million over the previous year.

Net Income, after providing for payment of dividends of 4% on Preference Stock, was sufficient to pay $1.50 per share on Ordinary Stock and leave 44 cents per share as retained earnings.

Receipts from petroleum rents, royalties and reservation fees amounted to $8.4 million, an increase of $1.1 million.

A capital expenditures programme to increase the capacity of your Company to serve its patrons and to raise the quality of its services has been aggressively followed. A total of $96 million was spent for additions and betterments in 1954—$84 million on your railway and $12 million on your steamships, hotels, communications and miscellaneous properties.

The Income, Profit and Loss and Land Surplus Accounts of your Company show the following detailed results for the year ended December 31, 1954:

Income Account

Gross Earnings		$422,642,423
Working Expenses		395,609,497
Net Earnings		$ 27,032,926
Other Income		17,835,319
		$ 44,868,245
Fixed Charges		15,041,997
Net Income		$ 29,826,248
Dividends:		
Preference Stock	$ 3,091,101	
Ordinary Stock	20,714,318	
		23,805,419
Balance transferred to Profit and Loss Account		$ 6,020,829

Profit and Loss Account

Profit and Loss Balance December 31, 1953		$283,294,249
Balance of Income Account for the year ended December 31, 1954	$ 6,020,829	
Portion of steamship insurance recoveries representing adjustment of excess over net book value, and compensation for increased cost of tonnage replacement	1,608,609	
Excess of considerations received for sales of properties over book values, and miscellaneous items	1,222,238	
		8,851,676
December 31, 1954, as per Balance Sheet		$292,145,925

Land Surplus Account

Land Surplus December 31, 1953			$ 84,601,387
Add:			
Receipts from Petroleum Rents, Royalties and Reservation Fees	$8,439,780		
Land and Townsite Sales	3,567,151		
Miscellaneous Receipts	885,925		
		$12,892,856	
Deduct:			
Administrative and Other Expenses	$ 675,953		
Taxes (Incl. $3,800,000 income taxes)	4,483,264		
Inventory Value of Lands Sold	57,305		
Miscellaneous *Cr*	1,136		
		5,215,386	
			7,677,470
Land Surplus December 31, 1954, as per Balance Sheet			$ 92,278,857

Railway Operations

Gross earnings amounted to $423 million, a decline of $48 million from the all-time high of the previous year. The decrease occurred mainly in freight revenues which produced more than four-fifths of the gross earnings.

Freight traffic measured in ton miles was down 14%. The decrease was largely the result of a reduction of 31% in the movement of grain and grain products. In other commodity groups, decreases occurred in the movement of crude petroleum and such finished commodities as agricultural implements, automobiles and miscellaneous goods, but there were increases in miscellaneous agricultural products, non-ferrous metals, canned goods, machinery, boilers and castings, iron and steel products, and paper and paper products.

Passenger traffic in terms of passenger miles decreased slightly, but, for the first time since 1944, there was an increase in the number of revenue passengers carried. The average passenger journey, which had been increasing steadily in length since 1949, decreased somewhat.

Express traffic was down from 1953, reflecting general business conditions. It was not possible to match the decrease in revenues with an equivalent reduction in expenses, and the net revenues of your Express Com-

pany, carried to railway earnings as compensation for the carriage of express traffic, decreased 16%.

Working expenses amounted to $396 million, a decrease of $46 million, and were at their lowest point since 1950.

A decrease in maintenance expenses accounted for two-thirds of the reduction in total working expenses. Maintenance of way and structures expenses declined by 22%, and maintenance of equipment expenses by 12%.

Maintenance of way included the laying of 433 miles of new and relay rail, down 58% from the previous year; the installation of 2.2 million ties, down 19%; and the application of ballast to 280 miles of line, down 62%.

Equipment maintenance included the general repair of 372 steam locomotives, periodic repair of 275 diesel-electric units, the heavy repair of 29,867 freight cars, and general repair of 839 passenger cars. Although work was curtailed, serviceability of equipment remained satisfactory having regard to the volume of traffic offering.

Transportation expenses, because of the necessity of maintaining regular services, decreased only 7%. Notable improvements were effected in service and operating efficiency. There was a decrease of 14% in the cost of train fuel compared with a decrease of 9% in train miles operated. This favourable comparison reflects the fuel economies resulting from increased use of diesel power. Freight train speed and gross ton miles per freight train hour were higher than in any previous year, and were 17% and 21%, respectively, above the performance in 1948, the year before diesel units were used in road service.

Net earnings from railway operations amounted to $27.0 million, down $1.9 million from 1953, but the ratio of net to gross was 6.4%, as compared with 6.1% in the previous year.

Other Income

Other income, after income taxes, amounted to $17.8 million, an increase of $1 million.

Ocean and coastal steamship operations resulted in a net deficit of $2 million, exceeding that of the previous year by $1.5 million. Earnings of your ocean steamships decreased because of reduced tonnage of westbound cargoes, while eastbound cargo rates, particularly on grain and flour, remained at a low level. More passengers were carried on the North Atlantic than in any post-war year, but there was less cruise patronage, and total passenger revenue declined. Revenues from coastal operations decreased, but an improvement in net earnings resulted from a reduction in operating expenses.

Net earnings of hotels increased $332,000 because of an improvement in convention, banquet and tourist business.

Net earnings from communication services increased $303,000. An increase in leased private wire business and a decrease in expenses more than compensated for a decrease in telegraph message traffic.

Dividend income rose $1.3 million. Dividends declared by The Consolidated Mining and Smelting Company of Canada, Limited, were at the rate of $1.35 per share out of earnings of $1.50 per share, compared with $1.20 out of earnings of $1.23 per share in 1953.

Net income from interest, separately operated properties and miscellaneous sources increased $145,000, owing principally to an improvement in the results of operation of the Insurance Fund which in 1953 had suffered heavy losses.

Fixed Charges

Fixed charges amounted to $15.0 million, an increase of $806,000. There was a net increase in the charges on equipment trust obligations.

Net Income and Dividends

Net income after fixed charges, at $29.8 million, was down $1.6 million. After provision for dividends on Preference Stock, earnings available for dividends on Ordinary Stock and for reinvestment amounted to $26.7 million. This was equal to $1.94 per share on 13,812,014 shares of Ordinary Stock outstanding at the end of the year, compared with $2.05 on 13,806,997 shares at the end of 1953.

Dividends were declared on Preference and Ordinary Stock at the same rates as in 1953. Preference Stock dividends amounted to 4%, comprising 2% paid August 3, 1954, and 2% paid February 1, 1955. Ordinary Stock dividends amounted to $1.50 per share, comprising 75 cents paid August 2, 1954, and 75 cents paid February 28, 1955.

Land Accounts

The net addition to Land Surplus Account amounted to $7.7 million, after income taxes of $3.8 million.

Gross receipts from petroleum rents, royalties and reservation fees amounted to $8.4 million, up $1.1 million. Royalties from crude oil were received on 13.6 million barrels from 697 wells, compared with 9.9 million barrels from 590 wells in 1953.

Long-term contracts were negotiated providing for payment to your Company of annual fees of $1.00 per acre on a total of some 500,000 acres formerly held under reservation at nominal fees. At the year end, 1.3 million acres in respect of which your Company holds petroleum rights were under lease, and 8.6 million acres were under reservation for exploration.

The appeal of your Company and Imperial Oil Limited as lessee, from the decision of the Supreme Court of Alberta in the case in which Anton Turta claimed title to petroleum rights underlying 160 acres of land in Alberta, was dismissed by the Supreme Court of Canada on May 20, 1954.

Proceeds from sales of land amounted to $3.6 million, $860,000 more than in the previous year. Sales included 14,187 acres of farm land, at an average price of $11.31 per acre, and 43,139 acres of timber lands. Contracts involving 7,821 acres of land sold in prior years were cancelled.

Balance Sheet

Total assets at the end of the year amounted to $2,055 million, an increase of $92 million.

The increase in property investment was $84 million. Capital expenditures for rolling stock amounted to $71 million, of which $25 million was for freight train cars, $24 million for passenger train cars and $21 million for diesel-electric power.

An amount of $5.5 million was credited to a new account, "Tax Equalization Reserve," representing the difference for the year between the aggregate of income tax provisions charged against income and the estimated amount of taxes payable. Inasmuch as the reduction in taxes payable arises from a decision to deduct for tax purposes capital cost allowances in excess of depreciation charges made against income in the accounts, it has been deemed prudent to credit the saving to a reserve which will be drawn upon in those future periods when the depreciation situation is reversed.

Finance

On August 1, The Royal Trust Company, as Trustee, entered into an agreement providing for the issue of $17.2 million principal amount of Equipment Trust Certificates, guaranteed as to principal and interest by your Company. This issue, designated as Series "N," maturing in equal semi-annual instalments from February 1, 1955, to August 1, 1962, inclusive, is payable in Canadian currency, and bears interest at 3% per annum. Under this agreement, diesel-electric locomotive units to be constructed at an estimated cost of $18.8 million in Canadian funds are leased to your Company, at a rental equal to the instalments of principal of and interest on the Equipment Trust Certificates. The Certificates are issued to the builders as the locomotive units are delivered, and $6,654,000 principal amount had been issued at the end of the year. The balance of $10,546,000 will be issued during 1955.

Eighteen Year 3¾% Collateral Trust Bonds, dated November 15, were issued and sold in the principal amount of $25 million, and were secured by pledge of $30 million principal amount of Consolidated Debenture Stock. These bonds are callable prior to maturity, at the option of your Company, on at least 45 days' prior notice, in whole or from time to time in part, and if in part, in principal amounts of not less than $5 million, as follows: on or after November 15, 1956, at 103.25% up to and including November 14, 1958; thereafter up to and including November 14, 1970, at percentages reducing by one-half of one per cent every two years; and thereafter at 100%; plus accrued interest in each case.

During the year serial equipment obligations amounting to $9.9 million were discharged, and $122,500 Convertible Twenty Year 3⅛% Collateral Trust Bonds, $3,000 Convertible Fifteen Year 3½% Collateral Trust Bonds and $1,000 Convertible Seventeen Year 4% Collateral Trust Bonds were converted into a total of 5,017 shares of Ordinary Capital Stock.

The foregoing transactions, and the issue of Equipment Trust Certificates, Series "M," referred to in the 1953 Annual Report, resulted in a net increase in funded debt of $46.7 million, a net increase in the amount of Consolidated Debenture Stock pledged as collateral of $29.8 million, and an increase of $125,425 in the amount of Ordinary Capital Stock outstanding.

Pensions

Pension expense amounted to $17.1 million. This comprised the portion of current pensions paid by your Company, contributions of $5.8 million to the Pension Trust Fund, and levies in respect of employees covered by the United States Railroad Retirement Act.

Wage Negotiations

Settlements providing a five day week and increases in daily rates in yard service were reached with locomotive firemen, helpers and hostlers, effective February 16 on the Eastern Region and April 1 on the Prairie Region, and with locomotive engineers on the Prairie and Pacific Regions effective April 1.

The requests made by non-operating employees in 1953 for increased benefits were submitted to a Conciliation Board, and, following the failure to reach a settlement, both parties agreed to be bound by arbitration. The award of Chief Justice G. M. Sloan of British Columbia, appointed as arbitrator by the Government of Canada, provided, effective January 1, 1955, for payment to hourly rated employees for five statutory holidays not worked, and for increased vacations with pay for hourly rated employees with three to five years' service and for both hourly and monthly rated employees after 15 years' service. The five statutory holidays agreed upon were New Year's Day, Good Friday, Dominion Day, Labour Day and Christmas Day. Certain details were left to be settled by negotiation. The requests for penalty pay for work on Sundays and for paid sick leave were denied.

Requests similar to those of the non-operating employees were made by the Order of Railroad Telegraphers, and by the Brotherhood of Maintenance of Way Employees on behalf of extra gang labourers. Negotiations in respect of these requests had not been concluded at the end of the year.

Employees

In 1954, there were 87,000 employees engaged in the various activities of your Company.

Of this total some 67,000 were employed in railway operations. This number comprised 13,000 engaged in maintaining road property, 18,000 in maintaining rolling stock, 16,000 in train and yard operations, 8,000 in the control and direction of train movements and the handling of freight and other traffic, and 12,000 in the performance of clerical, station and a variety of miscellaneous other duties.

Of the remaining 20,000 engaged in the other enterprises of your Company, some 5,000 were employed in ocean and coastal steamship services, 5,500 in express operations, 4,000 in hotels, 3,000 in commercial communication services, 1,500 in air services, and 1,000 in other operations.

The loyalty and high standards of officers and employees contribute to the enviable reputation for service which your Company enjoys.

Steamships

Work progressed on your new 22,500 ton passenger-cargo liner, begun in September 1953. This vessel is to enter North Atlantic passenger and freight service in the spring of 1956. The keel of a sister ship was laid in January 1955.

The trans-Pacific cargo service inaugurated in 1952 was discontinued in mid-1954 owing to failure of traffic to develop as anticipated. Your two vessels "Mapledell" and "Maplecove" were therefore returned to the North Atlantic, making possible more frequent freight service to north-western European ports.

Your vessel "Beaverbrae" was withdrawn from service in August and sold to Italian interests.

Air Lines

A dividend amounting to $400,000 was received from your Air Lines. The net profit was $969,000 after charg-

ing interest of $299,000 on advances from your Company, as compared with net profit of $366,000 in 1953. The result for the year includes a profit of $593,000 from the sale of aircraft not suitable for present services, while the previous year included an income tax recovery of $525,000 arising from the loss carryback provision.

During the first full year of operation of the Vancouver-Mexico-Lima route extension there was considerable passenger travel from Hong Kong to Mexico en route to the Caribbean area. Some additional flights were operated on the Vancouver-Honolulu and Tokyo-Hong Kong routes to accommodate the growing demand for space, and tourist service was instituted on flights between the Antipodes and North America, and between the Orient and North America. In line with the increasing importance of your international routes, sales offices were established in New York and Los Angeles to secure a share of the traffic originating in those large centres.

Improvements in domestic services were effected in a number of regions. On the mountainous Okanagan-Kootenay district, pressurized Convair 240 aircraft replaced the smaller and slower DC-3 equipment, and a general reduction of fares was instituted. Frequency of service was increased between Montreal and Quebec, between The Pas and Churchill, and from Edmonton and Vancouver to Whitehorse. Cargo rates on routings southward into Edmonton from points in the MacKenzie area were reduced by fifty per cent to develop "backhaul" traffic.

A request for a license to operate a direct service from Vancouver to Amsterdam was granted by the Air Transport Board early in 1955.

Rates

Early in 1954, the Honourable W. F. A. Turgeon was appointed Royal Commissioner to enquire into the application and effects of agreed charges and the question as to whether the so-called "one and one-third rule" should be applied to such charges. Agreed charges are provided for in the Transport Act under which railways are permitted to enter into contracts with customers for special rates in consideration of agreements by the customers to ship by rail all or a specified proportion of their traffic. The "one and one-third rule" requires that rates to intermediate points in the territory between Eastern Canada and the Pacific Coast shall not exceed the transcontinental competitive rates on the same commodities by more than one-third. The appointment of the Royal Commission followed representations by the Province of Alberta that that rule be made to apply to agreed charges.

At the hearings of the Commission, the railway companies objected to the application of the "one and one-third rule" to agreed charges and presented a strong case for relaxation of the restrictions on the making of agreed charges as they now exist under the Transport Act. They took the position that the more extensive use of agreed charges and the ability to put them into effect with a minimum of delay is necessary to enable the railways to meet the increasing competition from motor carriers. The railways strongly urged, in particular, that the provisions of the Transport Act requiring approval by the Board of Transport Commissioners before an agreed charge could come into effect, should be eliminated and that the waiting period before an agreed charge could become effective be reduced from thirty to fifteen days. The representations of the railways were supported in varying degrees by some of the large industries and some of the representatives of Provincial Governments, and opposed by trucking organizations and certain other industries. The report and recommendations of the Commissioner are expected to be released shortly.

An application was made to the Board of Transport Commissioners by the Canadian Passenger Association and its member railway companies for rescission of the Board's order of September 1950 prescribing the commutation fares which have been in effect since that time. The applicants submitted that the revenue from these rates was insufficient to pay out-of-pocket costs and expressed their intention of putting into effect a series of increases aggregating about 100% of existing fares, including an immediate increase of 50%. Following hearings in Toronto, the Board, by order dated August 4, 1954, authorized three graduated increases in commutation fares in the Toronto area totalling 100% over a period of twelve months, and, following hearings in Montreal and Ottawa, authorized, by order dated February 18, 1955, an increase of 50% in all commutation areas other than Toronto. Judgment in respect of the balance of the increases in areas other than Toronto was reserved.

Reduced competitive rates were made effective September 21 on certain freight traffic moving between Montreal and Toronto. The reductions applied on less-than-carload merchandise in trailer-on-flat-car vanload quantities and on certain carload movements. While it is yet too early to assess fully the result of these reductions, it is now known that some traffic has been recovered, and some which might otherwise have been lost, has been retained.

Services

Further progress was made in the modernization of your railway services. Diesel locomotives were assigned to your transcontinental passenger trains, to passenger services between Windsor, Toronto, Montreal and Quebec, and to through freight services between Winnipeg and Edmonton. This was made possible by the acquisition during the year of 94 diesel units. Work was begun on a new diesel maintenance shop at Montreal.

New freight train cars placed in service totaled 2,840, of which 1,500 were box cars.

New passenger equipment totalled 123 units, of which 90 were stainless-steel cars, part of a total of 173 ordered from The Budd Company, 3 were self-propelled rail diesel cars, and 30 were other passenger train cars.

A highlight of the year was the tour across Canada, for inspection by the public, of units of the luxurious new stainless-steel equipment, featuring scenic-dome cars. This equipment is being introduced into your transcontinental passenger services as the units are received from the builders.

Additional "Dayliner" services, provided by rail diesel cars on fast daily return schedules, were put into operation between Edmonton and Calgary, and between Toronto and Peterborough. Seven of these popular cars were in service by the end of the year.

Coordination of truck and rail services of your Company was advanced by the inauguration in May of an overnight trailer-on-flat-car service between Winnipeg and Regina.

Seventy miles of branch lines, to serve new mining and industrial sites, were under construction during the year. Work was started on a forty mile line between Struthers and Manitouwadge in Ontario, a nine mile line between Mitford and Jumping Pound in Alberta, and a four mile line running northward from Cheviot in Saskatchewan. As a result of the rapid completion of a seventeen mile branch from Havelock to Nephton in Ontario, it was possible to commence service on that line in December.

Facilities were under construction at Vancouver and Nanaimo to serve the new car ferry to be placed in service in 1955. A 200-foot apron adjustable to tide level is being provided at each site for the loading and unloading of railway cars, automobiles and trucks to and from the ferry.

Automatic block signal systems, which make an important contribution to the safety and efficiency of your railway operations, were extended by 121 miles during 1954, bringing to 2,989 the total mileage so equipped.

New industrial trackage aggregating 49 miles was constructed to serve 187 of the 881 manufacturing, warehousing and distributing businesses which located on or adjacent to the lines of your railway during the year.

In the communications field, your Company, jointly with Canadian National, commenced television network service between Toronto and London at the beginning of the year, and shortly thereafter Hamilton was added. Facilities were under construction for a similar service between London and Windsor and between Montreal and Quebec. Also jointly with Canadian National, a leased network service was established for the transmission of pictures by wire for reproduction in newspapers in Ontario and Quebec.

Patrons

Your Directors desire to express their sincere appreciation of the patronage throughout the year of shippers and the travelling public.

For the Directors,

W. A. MATHER
President.

Montreal, March 14, 1955.

CANADIAN PACIFIC RAILWAY COMPANY

General Balance Sheet, December 31, 1954

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock and Inland Steamships	$1,233,595,863	
Improvements on Leased Property	143,664,885	
Stocks and Bonds—Leased Railway Companies	133,972,534	
Ocean and Coastal Steamships	70,310,628	
Hotel, Communication and Miscellaneous Properties	112,669,722	
		$1,694,213,632
OTHER INVESTMENTS:		
Stocks and Bonds — Controlled Companies	$ 84,159,303	
Miscellaneous Investments	34,805,312	
Advances to Controlled and Other Companies	11,320,328	
Mortgages Collectible and Advances to Settlers	1,026,734	
Deferred Payments on Lands and Townsites	4,726,766	
Unsold Lands and Other Properties	8,125,242	
Insurance Fund	13,188,540	
Steamship Replacement Fund	15,202,844	
		172,555,069
CURRENT ASSETS:		
Material and Supplies	$ 50,567,370	
Agents' and Conductors' Balances	16,124,372	
Miscellaneous Accounts Receivable	22,746,359	
Government of Canada Securities	44,929,158	
United Kingdom Treasury Bills	2,991,317	
Cash	43,877,055	
		181,235,631
UNADJUSTED DEBITS:		
Insurance Prepaid	$ 115,399	
Unamortized Discount on Bonds	4,385,269	
Other Unadjusted Debits	2,029,345	
		6,530,013
		$2,054,534,345

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$345,300,350	
Preference Stock—4% Non-cumulative	137,256,921	
		$ 482,557,271
PERPETUAL 4% CONSOLIDATED DEBENTURE STOCK	$419,921,388	
Less: Pledged as collateral to bonds	127,372,500	292,548,888
FUNDED DEBT		172,793,500
CURRENT LIABILITIES:		
Pay Rolls	$ 9,208,925	
Audited Vouchers	11,714,879	
Net Traffic Balances	2,151,448	
Miscellaneous Accounts Payable	11,741,120	
Accrued Fixed Charges	1,136,309	
Unmatured Dividends Declared	11,887,639	
Other Current Liabilities	24,263,844	
		72,104,164
DEFERRED LIABILITIES		4,119,502
RESERVES AND UNADJUSTED CREDITS:		
Depreciation Reserves	$577,853,264	
Investment Reserves	1,260,221	
Insurance Reserve	13,188,540	
Contingent Reserves	4,118,419	
Tax Equalization Reserve	5,500,000	
Unadjusted Credits	6,869,020	
		608,789,464
PREMIUM ON CAPITAL AND DEBENTURE STOCK		37,196,774
LAND SURPLUS		92,278,857
PROFIT AND LOSS BALANCE		292,145,925
		$2,054,534,345

ERIC A. LESLIE, *Vice-President and Comptroller*

TO THE SHAREHOLDERS,
CANADIAN PACIFIC RAILWAY COMPANY:

We have examined the above General Balance Sheet of the Canadian Pacific Railway Company as at December 31, 1954, and the related financial statements, and have obtained all the information and explanations we have required. Our examination included such tests of accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion the General Balance Sheet and related financial statements are properly drawn up so as to present fairly the financial position of the Canadian Pacific Railway Company at December 31, 1954, and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, March 11, 1955.

PRICE WATERHOUSE & CO.
Chartered Accountants.

Continued from page 6

1955 Will Be a Good Export Year

from 3% to 3½% and then to 4½% to keep the boom from running away, to keep import demands under control, and to attract funds to London.

If other Western European countries also find that their imports are running too far ahead of their exports, and that their international accounts are getting out of kilter, they are likely to go slow on further liberalization But I do not think that the gains of dollar imports and payments made up to now will be lost, and I do not see any reason to assume that Britain or the Continental countries are in for a business recession. The action of the Bank of England was a sharp warning, but it was no more than a warning. In many respects the British economy is healthier and stronger than ever before. The bank's action was intended to keep business from being too exuberant, to prevent any relaxation of the export drive, and to keep capital, labor, and resources from being diverted away from the projects most essential to the country's economy.

Nevertheless, the fact that several Western European countries will be watching their balance-of-payments situation more closely, and will probably feel less willing to liberalize imports further, must be put down as a restraining influence on trade. Another restraining influence is the substantial drop in coffee prices—and to a lesser degree in cocoa prices—which is cutting into the purchasing power of the many countries producing those commodities. We must likewise remember that an exchange backlog has been built up in several Latin American countries and that trade with Canada—our biggest customer — remains substantially below the peak level of 1953.

Trade Outlook in Principal Areas

Now that we have outlined some of the chief factors affecting foreign trade, in general, let us take a quick look at prospects for our exports to the principal trading areas. Last year we exported on the following scale, excluding the strategic goods for which full figures are not available: to Canada—$2.8 billion, or 23% of the total; to Latin America—$3.2 billion or 26%; to Western Europe—$3.3 billion, or 27%; to the Overseas Sterling area—$950 million, or 8%; and to the Far Eastern countries outside the Sterling area, $1.3 billion, or 11%.

As for Canada, our exports dropped by 13% in 1954, from $3.2 billion to $2.8 billion. The decline reflects what the Canadians refer to as a breathing spell in their very remarkable boom. The dip in Canadian business was somewhat smaller than in this country, but, on the other hand, the pickup to date has been less pronounced.

One reason for the somewhat slower recovery in Canada is that Canadian farm areas have suffered a setback, particularly due to the difficulty in finding adequate export markets for their wheat. Also, some industries have been affected by the sharpening of competition from abroad, not only in respect to exports, but in the Canadian market itself.

But I need hardly tell you that the overall Canadian picture is very good. Development activity has continued without a let-up, and outlays for new equipment and construction in 1955 are expected to be nearly as high as in 1954. There seems to be an unending list of new projects. Oil and gas exploration is to be stepped up; new petroleum and gas pipelines are planned or under construction; new uranium discoveries are causing excitement in the far North; the St. Lawrence waterway promises a great new development along the river and around the Great Lakes. Moreover, there are countless public utility and housing projects going on which are likely to contribute to the demand for goods from this country.

Considering all this—and I have only touched the surface—I believe our exports to Canada should hold about even with 1954 on an overall basis, though there may be some shifts as between one product and another. Canada has no balance-of-payments problem. Her official gold and dollar holdings came to $1,940 million at the end of the year, up by $125 million over a year ago.

As for our exports to Latin America, the prospects look mixed. In 1954 our total exports to that area came to $3.2 billion, a rise of 10%, mainly because of heavier purchases of the coffee-growing countries during the early part of the year. Meanwhile, our imports from the area dropped by 6% to $3.2 billion, or just even with the export figure. However, during the second half of the year we actually exported more to Latin America than we imported.

As to the outlook, it seems to be good for our exports to the sugar and oil producing countries of the

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1955 Will Be a Good Export Year

Caribbean—that is, to Venezuela, Cuba, the Dominican Republic, and I would say also to Mexico and Panama. These countries hold some 60% of Latin America's gold and dollar assets. Last year they bought nearly $1.8 billion worth of goods from us, only 4 or 5% below the 1952 peak. This represented more than half of our total exports to Latin America.

Mexico appears to have made commendable progress in readjusting her economy after last year's currency devaluation. She has been our number one customer in Latin America for several years, and it looks as though she will be at the head of the list again this year. Venezuela, however, should again be a close second, since her boom has continued without a break and she is in a position to import generously. While Cuba is in a somewhat less favorable position, since she may earn fewer dollars from her sugar this year, she has arranged a substantial amount of dollar financing for public works, which should stimulate her purchases and maintain her position as our third or fourth biggest Latin American customer.

Looking farther south, about 12% of our total exports to Latin America last year went to the West Coast and River Plate countries of South America. Among these, Peru has liquidated its exchange backlog and should be a good customer this year. So should Ecuador, within its size. Farther down on the map, I wish I could say that things look better than they do. As you know, Chile, Argentina, and Uruguay have all been importing from the U. S. on a relatively reduced scale, and there is no sign yet of any real pickup, unless some of the rumored loans go through for financing heavy equipment. On the other hand, with their purchases already cut more or less to the bone, a further reduction of any size would seem unlikely.

The real uncertainty about our 1955 exports to Latin America narrows down, I think, to about one-third of our trade with that area; that with Brazil, Colombia, and the Central American coffee producing countries. In 1954, these countries took about $1 billion worth of our exports, but their purchasing power has been affected by the recent drop in coffee prices to a degree which is still hard to determine.

Because the drop in coffee prices affects so many of our good neighbors, it naturally becomes a cause of concern for us. Last year we imported only about 17 million bags, compared with 21 million in 1953. If, as we hope, the lower price level now prevailing stimulates a revival of coffee-drinking or leads to a replenishment of inventories to the point where our imports get back to around 20 million bags, which is regarded as a more normal level, a lot of lost dollar income will be regained by these coffee countries. However, until there are signs of some such development, they will be inclined to import more cautiously.

Let us now turn to Western Europe, which last year increased its purchases from us by one-sixth and took more than either Latin America or Canada. Our sales to Western Europe, excluding strategic materials, came to $3,340 million, or more than 25% of our total commercial exports. At the same time, our imports declined, and the area's trade deficit with us doubled from about $570 million in 1953 to some $1,320 million in 1954. But Europe's non-trade earnings of dollars were so large, and her surpluses with other areas were so sizable, that she was able — despite this trade deficit — to add some $1,500 million to her gold and dollar balances. The largest increases in reserves were registered by West Germany, Great Britain, Austria, Greece, Italy, France, the Netherlands and Sweden.

The increase in our exports to Western Europe came to about $500 million and was accounted for mainly by five countries: the Netherlands, West Germany, Great Britain, Belgium and Spain. Our exports to Spain nearly doubled. Sales to Yugoslavia, on the other hand, declined by about 40%. The area as a whole took more of our foodstuffs, cotton, non-ferrous metals, coal and capital goods.

As to the future, I think I have already pointed out that prospects for our exports to Western Europe are good. The business boom has practically wiped out unemployment, except for Southern Italy. Wages have increased, and so has productivity. There has, therefore, been a significant growth of purchasing power, and recovery has broadened out into the consumer durable field. This is seen in the rapid expansion of output of household equipment, electrical applicances, and, above all, automobiles. European auto production is now running at around 2.5 million units a year, against 1.2 million in 1949 and less than one million before the war. The number of cars has practically doubled since 1948, and the traffic jams there are becoming as bad as those here. This is hardly a blessing, but it is a very clear indicator of the general improvement in the European economy.

On top of the boom in the consumer durable industries, Europe is also going through an unprecedented spurt of activity in factory construction and modernization, as well as in housing. While the boom is basically a healthy one, it has strained some of the seams, and, as you know, the warning flags have been put up in a few places. In Britain, as well as in Denmark, Norway, Sweden, and the Netherlands, some pressure on the balance of international payments has re-appeared. Imports have increased, while internal demand is absorbing goods that ought to be exported to keep the accounts straight.

In general, the ability of Western Europe to import will depend on her ability to pay the bill through exports and other earnings. That is why steps are being taken in Great Britain and elsewhere to moderate the internal demand and to prevent any resurgence of inflation, so that increased imports can be matched by a corresponding upswing in exports.

Turning to the Overseas Sterling Area, our exports to this group of countries in 1954 came to $950 million, a rise of 4%, but results varied from country to country. We sold more to Australia, New Zealand, Hongkong, India, and South Africa, but exports to Pakistan dropped sharply. However, these figures reflect what was happening in 1954, and some of the trends have now changed. Australia has had to tighten up on her imports to bring them into line with exports; her imports had been pushed up by an inflationary boom at the same time that export earnings were reduced by lower wheat and wool prices. The Australians hope that they will be able to relax some of the import restrictions later this year. In India the improvement in the economic situation has continued, even though in some respects it has been spotty. Good-sized crops have brought the country nearer to self-sufficiency in food, and this has released more foreign exchange for purchases of capital goods. Considerable expansion has taken place in some industries. In view of this, and considering the large development projects on the way, I look for some improvement in our exports to India. A moderate degree of optimism is also justified concerning trade with Pakistan.

Our best customer among the Overseas Sterling Area countries, as you probably know, is the Union of South Africa. For some time last year it looked as though that country might be heading for a balance-of-payments crisis that would have necessitated a cutback in imports. But export earnings were boosted by rising production of gold, uranium, and non-ferrous metals, by agricultural surpluses, and by further industrial development. Gold production alone is now worth almost half a billion dollars annually, which is about $100 million more than five years ago. Far from there being any crisis last year, the country's gold and foreign exchange reserves rose from $295 million at the beginning of the year to $416 million at the end. Imports were relaxed last fall and again just last month, when about $14 million was set aside for imports of motor vehicles and spare parts. In short, I would not be surprised if our exports to the Union this year rose considerably above last year's figure of $228 million.

The last group of countries that I propose to deal with are the non-sterling countries of the Far East, including Southeast Asia. In 1954 this area took about $1,340 million of our exports, with Japan taking nearly half, the Philippines a quarter, and other countries the remaining quarter. We had an export surplus with the whole area of over $500 million. A good part of this was covered, from the dollar exchange standpoint, by our outlays for defense installations, troop spending, and loans and direct aid. In view of the political uncertainties and the importance of the Far East defense arc for our own military security, I would expect that our spending in the area is likely to increase this year even if no special aid program is formally established. However, some countries may get more and others less than last year.

Although Japan continues to be easily our best customer in the area, she had to cut back her purchases considerably last year. 1954 was a year of retrenchment for Japan, as she finally faced up to the drain on her foreign exchange reserves and began to make a serious effort to live within her means. Money was tightened, the lid was put on inflation, now investments were reduced, and an attempt was made to balance the budget. The results were good; the gap in international payments was closed, and the reserves, which had dropped below the $700 million level in May, were rebuilt to nearly $1 billion by the end of the year.

Some of this belt-tightening, of course, was achieved at the expense of our own exports to Japan. During the last quarter, our exports declined to an annual rate of only about $450 million, against a rate of around $860 million in the first half. However, I doubt whether Japan can keep her imports of basic raw materials and other necessities at the present low rate for very long. If she can expand her dollar earnings through triangular trade, I am sure that she will turn around and buy more from this country. For example, if she can increase her exports to Indo-China or Thailand, she might capture for herself some of the dollars that we are now spending in those countries.

In the Philippines, about 70% to 75% of whose trade is with the U. S., I think that the most important commercial development last year was the renegotiation of the trade agreement with the United States, which was done in a relatively short time and with evidence of mutual goodwill and good faith. The new agreement leaves a wide area of trade open to flexible adjustments in the future. Some of the uncertainty that hung over our trade with the Philippines was removed, and this should encourage the flow both ways.

Conclusion

Having traveled over too much territory altogether too quickly, let me take a minute or two to recapitulate. The foregoing size-up of the outlook for our exports in 1955 was based on the facts and information which our Economics Department regularly puts together. Before putting the conclusions into final form, however, I thought it would be well to check on the operational front in order to see whether there was a practical as well as a theoretical basis for these conclusions. So my first check was with our own Foreign Outward Bills and Commercial Credit Export Departments, both of which find their volume increasing. We then consulted nine or ten export managers selected at random from diversified industries. None of them expected lower exports in 1955 than in 1954 and most of them look for increases of from 5% to 10% or even more.

Consequently there seems to be a pretty good basis for the opinion that 1955 will be another good year for exports and that it may well surpass 1954. However, we must not forget that there are some warning clouds on the horizon at various points and that there may well be set-backs in some lines which will make things difficult for some of you. Unfortunately, this is to be expected, since the flow of goods is always subject to change. The postwar reconstruction period is largely behind us and the tasks and problems ahead will be different.

Although I do not want to minimize these problems, I do wish to leave you with the thought that they will be made easier if the total volume of world trade continues to expand and there is leeway for any adjustments which have to be made. Last year, the volume of world trade was close to peak levels. This year, considering the boom in Europe, increased activity in this country, and the improving position of many of the primary producing countries, I think we can look forward to a new record for the combined world trade of all countries.

Government-Backed Mortgage Pitfalls

April issue of "Monthly Bank Letter" of the First National City Bank of New York says policy has been to weaken traditional caution incentives among builders, lenders and buyers alike. Holds there are indications over the last month that money market forces that may exert a tempering influence on mortgage lending are coming into play.

The First National City Bank of New York, in the April issue of its "Monthly Bank Letter," contains the story of the home building boom and the effects of the government-guaranteed home mortgage program. It concludes, though "there is a housing boom that defies predictions," now is the time for giving serious thought to the consequences of the situation. As stated by the "Monthly Bank Letter":

"This rapid expansion in government-backed loans, and the housing boom it has fostered, stress the need for serious thought as to the consequences of government guarantees and insurance that have tended to weaken traditional incentives for caution among builders, lenders, and buyers alike. The statement by the committee of life insurance company presidents referred to before minced no words on this point:

" 'This is certainly no time for 30-year, no down-payment mortgage loans guaranteed by the Veterans Administration. Such terms are an open invitation to a boom-bust situation in home-building, and they actually penalize the veteran by contributing to a higher price for his house.

" 'We urge that Congress act promptly to require some down-payment and a shorter maximum amortization period on VA mortgage loans. Moreover, down-payment and amortization terms on FHA insured loans should also be tightened promptly.'

"An equally frank diagnosis of where the program has gone wrong and a clear statement of the principles that should govern, appear in the following from the report of the House & Home Conference of experts:

" 'The less help our industry has to accept from government, the better for our industry. For 20 years now we have been forging a closer and closer partnership with government through the Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and especially through FHA and VA. That partnership has enabled millions of families to buy better homes for less money. . . .

" 'We have allowed builder, lender, and buyer—all three—to profit from the partnership without putting up as much of the money or carrying as much of the risk as they could and should.

" 'We are now unanimous in declaring this was and is a mistake. . . . We are unanimous in urging that everyone accept the principle of the shared risk.

" 'No builder should be able to get government help on his financing unless he stands to lose some of his own money first if his judgment on the house proves wrong. No buyer should be able to get government help on his financing unless he stands to lose some of his own money first if the house proves a bad investment. No lender should be able to get insurance on his loan unless he stands to lose some of his own money first if his judgment proves wrong and he loan is defaulted.'

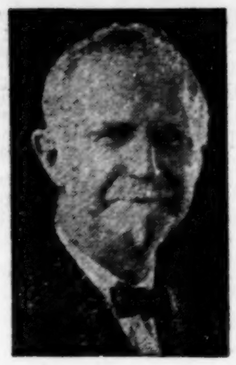
"All this is only common sense and in accord with good lending practice. Indications over the past month are that money market forces are beginning to come into play that may in themselves exert a tempering influence on mortgage lending terms and conditions. Although the $1\frac{1}{2}$% Federal Reserve discount rate remains undisturbed, the banking authorities in recent weeks have allowed unseasonably strong credit demands to take up slack in the money market with the result that lenders are perceptibly more choosey about the mortgages they will take. The Treasury sale of $1.9 billion 40-year 3% bonds two months ago similarly subtracted something from the potential supply of mortgage funds. These cautioning influences can be carried further as need be so as to relieve tendencies for excesses of credit supply to create a glut of overpriced new houses. In the long run it will be better for everyone if home-building can be stretched out and maintained at levels within the capacity of the market to absorb, than if it goes rushing ahead in a boom that overloads the market and home owner and winds up in a bust."

More on Stock Market Averages

By ROGER W. BABSON

Charging that day-to-day changes in the Dow Averages are magnified, Mr. Babson explains the reason for this is that the Dow Averages are no longer arithmetic averages, but instead, an adjusted divisor is used which magnifies the ratio of change by about 5.2 to 1.

Although the Fulbright Investigation of the stock market is over —probably to the benefit of all concerned — I continue to have questions from readers. Most of these are in regard to the Dow-Jones Industrial Average.



Roger W. Babson

This is what seems to trouble readers most. First, they note that the Dow-Jones Industrial Average has "gone up" or "gone down" four points—for instance—and yet not one of the 30 stocks included in this "Average" has varied this amount! They say: "Wall Street accounting is worse than Truman accounting!"

Another thing bothering stock-minded readers is that from one day to the next this so-called "Average" will move faster and further than what they claim to be the "honest Average." They write me: "No wonder Bernard N. Baruch is reported to have indicated that readers had better forget following the newspaper accounts of Wall Street, because by the time the market makes the front page all the wise guys have left the premises with the money."

Reasons for Wall Street Arithmetic

The day-to-day changes in the Dow Averages are magnified. In the case of the Industrials, if—on a straight mathematical average—the market prices of the stocks were UP 1 point, the net change shown by the Dow Average release would be UP by more than 5 points! The reason for the magnification of changes is that the Dow Averages are no longer arithmetic averages. That is, instead of taking the aggregate value of the 30 stocks in the series and then dividing the sum by 30, they now take the aggregate value and use an adjusted divisor which at the present time is 5.76. *Thus, the daily change in the Average is actually magnified in a ratio of 30 to 5.76, or about 5.2 to 1.*

This method of computing the daily Average is to save time, yet preserve the historical continuity of the Average. Under the old method they adjusted each stock in the series for stock splits before computing the daily Average. Under the present method, no such adjustments are made for the individual stocks — *the adjustments are made in the divisor.* In this way, there is no need to make a great many computations to adjust for the various splits that have taken place over the years.

The present method is satisfactory and simple—the divisor itself is changed from time to time as splits and stock dividends occur. In fact, when this "divisor" idea was first used, the figure was 12.7, whereas the figure now used is 5.76. They first computed the sum of the market prices of the 30 stocks in the series adjusted for splits. The next step was to compute the Average by dividing this *adjusted* sum of the prices by the number of stocks in the series (i.e., 30). Then the next step was to add together the market prices of the 30 stocks (with no adjustments), and divide this figure by the adjusted Average. The net result was the divisor. The divisor now used to determine the Average at the various times of the day has been computed in this fashion.

Margin Requirements

Letters have also come to me asking how and when margin requirements have been changed during the past 20 years. Here are the facts regarding these: April 1, 1936, through Oct. 31, 1937, General Rule—55%; Nov. 1, 1937, through Feb. 4, 1945, General Rule—40%; Feb. 5, 1945, through July 4, 1945, General Rule—50%; July 5, 1945, through Jan. 20, 1946, General Rule—75%; Jan. 21, 1946, through Jan. 31, 1947, General Rule—100%; Feb. 1, 1947, through March 20, 1949, General Rule—75%; March 30, 1949, through Jan. 16, 1951, General Rule—50%; Jan. 17, 1951, through Feb. 20, 1953, General Rule—75%; Feb. 20, 1953, to Jan. 4, 1955, General Rule—50%; Jan. 4, 1955, to date, General Rule—60%.

Margin requirements are set by the Federal Reserve Board, and are therefore an instrument of overall control. Changes are made as part of a broad Federal Reserve Policy.

Continued from first page

How High Is the Stock Market?

as early as 1948, to hazard the prediction in a *Commercial and Financial Chronicle* article, that the Dow Jones Industrial Average would sell above the 1929 high of 386 and eventually reach approximately 450 by the mid-1950's. The answer to why the market advanced from 255 to 421, in 18 months, is comparatively simple. The market had been so drastically undervalued since 1948 that just a renewal of investor confidence was needed to send prices to more normal valuation levels.

Is There Over-Discounting?

But, has the rise from a 1953 low of 255 to a recent high of 421 more than discounted the increase in earnings and dividends over the past 10 years? Is the market overpriced and vulnerable? I do not believe so. Based on fundamental barometers of value, it is well above the abnormally low valuations which have prevailed since the end of the war but is also well below the top turning levels of prior years where major reversals in the trend took place. The market appears to be in a middle area, neither vulnerably high nor drastically undervalued. The following figures from the Book of Indices are illustrative:

	1946	1948	1949	1950	1952	Present
Price-earnings ratio	26.9	7.3	9.0	7.6	11.5	14.8
Price-dividend ratio	30.3	14.9	15.8	14.9	18.2	22.6
Bond yields as % of stock yield	78.5	---	---	40.6	56.1	69.7

Perhaps the simplest formula for evaluating price levels is one used by Benjamin Graham in his excellent book, "The Intelligent Investor." A Central Value or normal value is arrived at by capitalizing the average earnings for the past 10 years of the Dow-Jones Industrial Average at twice the yield on AAA bonds. For example, the Central Value for 1955 would be arrived at by capitalizing the average earnings of the 10 year period—1945 to 1954—of $22.74 at twice the yield on AAA bonds, which is 2.9%, or 5.8% doubled. The result is a Central Value or normal value of 392. This formula uses the three basic determinants of stock prices—earnings, dividends and money rates. Dividends are used only indirectly but the dividend payout is usually 50% to 65% of earnings on industrial issues.

This formula is purely a statistical measure and does not take into account market sentiment which can cause wide fluctuations from norm. However, since the turn of the century sentiment has not caused the Industrial Average to deviate much more than 20% above or 20% below the Central Value line. The only real exceptions were the extreme overvaluations of 1927-1929 and the extreme undervaluations of 1931-1934. Both of these were caused by extremes in market sentiment. For the rest of the more than 50-year period, the market has held in an area bounded roughly by 20% above or below the normal value line. For 1955, 20% above 392 would be 470. Anything approaching that level would put the market in an overbought position. 20% below 392 would be 314. Anything approaching that level would place the market in an undervalued position. It might be interesting to recount these figures over recent years.

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
20% above C.V.	216	240	242	235	280	324	334	360	366	446	470
Central Value	180	200	202	196	232	270	278	300	305	372	392
20% below C.V.	144	160	158	151	184	216	226	240	244	293	314
Dow-Jones High	196	213	185	194	200	246	278	295	295	407	421
Dow-Jones Low	154	161	161	162	162	196	241	252	255	280	386

The last few months have been the first time since 1946 that the market has moved above the normal or Central Value line. For most of the past 10 years, the market has been in an area nearer the 20% below normal mark. It is interesting to note that the market has met support at four occasions in recent months at the 386 level or just about at the normal value point.

Differences from 1929

It is also interesting to note that the 386 support level is just about at the 1929 high. However, normal value today is vastly different than it was in 1929. The Industrial Average sold at 386 in 1929 when the Central Value was only 120. This was a fantastic overvaluation of more than 220%. The present market, at its recent high of 421, was 7% overvalued. That is why it is difficult to rationalize the testimony of Professor John K. Galbraith of Harvard University before the Senate Banking Committee. He stated that the situation in the stock market was approaching 1929 boom conditions. To reach a comparable 1929 boom level with present earnings and normal value would necessitate an advance of 220% above 392 or to 1250 in the Industrial Average! With the average a little above 400, this seems hardly an "approach" to 1929 conditions.

Professor Galbraith backed down a bit during questioning and admitted that possibly conditions today were more like 1928. This statement also is hardly factual. The Industrial Average ranged between 200 and 300 in 1928 as against a normal or central value of 125. That was an overvaluation of 60% to 150% as against 7% now. To reach an actual similarity between present prices and earnings, the 1925-1926 period should have been chosen. At that period the market was above its Central Value but still below 20% above normal.

Another respect in which the present market differs from 1929, as well as 1937 and 1946, is in the quality of the leadership. I recently compiled some data on the price action of 80 common stocks from the 1946 high to date. I divided the 80 stocks into four groups of 20 stocks each and presupposed an investment of $5,000 in each stock or $100,000 in each of the four groups.

The first group is composed of 20 growth issues and presupposes an investment of $5,000 each in such growth companies as Dow Chemical, Corning Glass, I. B. M., etc. The second group is composed of 20 stocks of investment quality. It was selected from the 20 favored issues of 130 Common Trust Funds of leading trust companies. It includes such issues as General Motors, Standard of New Jersey, General Electric, National Dairy, Sears Roebuck, etc. The third group consists of good quality dividend-paying issues a bit below the investment quality of the second group. It consists of issues like Allied Stores, Allis Chalmers, Babcock & Wilcox, National Gypsum, Sylvania, etc. The fourth group consists of lower-priced, more speculative issues. It comprises the 20 most actively traded issues in 1953 selling at around 20 or lower. It includes the issues in which the general public usually trades. It consists of issues like Armour, Avco, International Telephone, New York Central, Pennsylvania, Pepsi-Cola, etc.

Here is how a purchase of $100,000 at the 1946 **highs** of each of these groups would have worked out until the end of March, 1955:

Type of Issues	1946 High	Mar. 29,'55
Growth	$100,000	$339,324
Investment	100,000	225,010
Medium-Grade	100,000	147,253
Low-Priced	100,000	81,915

In other words, the purchaser of low-priced, speculative stocks at the 1946 highs still has a loss eight years later. There is a reason for this as shown by the earnings behind each of these groups. 1954 earnings are partly estimated:

Type of Issues	1946	1954	
Growth	$5,998	$14,285	+ 139%
Investment	6,482	16,07[illegible]	+ 15[illegible]%
Medium-Grade	7,724	12,486	+ 63%
Low-Priced	5,530	4,570	— 18%

Just as there is a reason in the earnings picture, there is also a reason for the diverse action in the dividend pattern. Here are the dividends paid in 1946 and 1954:

Type of Issues	1946	1954	
Growth	$2,503	$7,827	+ 213%
Investment	3,520	8,826	+ 151%
Medium-Grade	3,080	6,411	+ 108%
Low-Priced	1,543	2,243	+ 45%

It is interesting to note that the Growth Issues were yielding only 2½% at the time of purchase, but are now yielding almost 8% based on the original purchase price. Of course, to the purchaser today, the yield is only 2.2%. That is the outstanding characteristic of growth issues. Yields are low at purchase, but the growth in earnings and dividends eventually result in a larger return than on defensive and cyclical issues.

Of course, the rise of the last 18 months has resulted in yields and price-to-earnings ratios that are comparable to those reached at the top of 1946. The tables below illustrate the approximate P/E ratios and yields that prevailed at the 1946 top, the 1949 low and at the end of March, 1955.

	Yield %			Price-Earnings Ratio		
	1946	1949	1955	1946	1949	1955
Growth Issues	2.5	4.5	2.2	16.5	10.2	23.7
Investment Issues	3.5	7.3	3.8	15.4	7.1	13.9
Medium-Grade Issues	3.1	9.0	4.4	12.9	5.3	11.8
Low-Priced Issues	1.5	4.2	2.5	18.0	9.4	16.8

On the basis of the above figures, the growth issues are selling higher than the 1946 ratios and the investment group are approaching the ratios reached at the 1946 high. Of course, increase in earnings and dividends would change this picture, but any sharp price increase in these two groups would be unjustified under present earnings and dividends. These two groups appear to have corrected the undervaluation that has existed for over eight years. The medium-grade group still appears to offer the best profit opportunities with the least downside risk, particularly in issues that appear to be graduating from medium-grade to higher-grade. I have recommended issues of this type such as American Potash, Babcock & Wilcox, Penn-Dixie Cement, Western Union, etc. Also I still like Dresser Industries, Joy Manufacturing, Black & Decker, etc. The low-priced stocks still offer opportunities for price appreciation, but here the risk is much greater as witness the fact that buyers of some of these issues at the top eight years ago are still under water.

The relative backwardness of the lower priced and more speculative issues is also illustrated by the Value Line averages of high-priced and low-priced stocks. At the 1946 highs, the higher-priced stocks in the Value Line average were selling at an average of 56 and the lower-priced stocks were selling at an average of 22 or at a ratio of 40% of the higher-priced stocks. At present, the higher-priced average is selling at 92 while the lower-priced average is still at 22. The ratio has dropped from 40% in 1946 to 24% at present. In terms of past relationships, the low-priced group has a lot further to go before the ratio sets the high level attained in 1946. In fact, not in several generations has there been a time when the disparity in yields between the best grade stocks and the medium, or lower, grade stocks is so wide as it is today. It might take some time for the disparity to be corrected and it could very well happen as a result of a rise in the medium and speculative grade stocks while the high grade stocks remained more or less stationary.

Technical Soundness

From a purely technical point of view, there is no evidence of a major top in the market. Of course, major tops take a long time to form. The 1929 top needed a year to form, the 1937 top took 10 months and there were seven months of congestion before the 1946 top was formed. The market, at the moment, is just about where it was when the year started. In the past few months it has had several broad swings between 386 and 421. The 386 level appears to be a strong support zone and with forthcoming quarterly reports expected to provide fuel for optimism, it would be expected that an upside penetration of the March high of 421 is a reasonable expectation. However, the investment odds today are much less favorable than they have been for quite some time. At present levels of 410 there is an upside potential, in my opinion, of 450 to 470, or 9% to 12%. On the other hand, there is a downside risk of 386 to 350 or 6% to 12%. It appears a time in which it is wise to be neither rampantly bullish or unduly pessimistic.

Of course, all these observations must be translated into terms of individual stocks. The market has seldom moved as a unit and this is even more true today because of the better knowledge of both security and technical analysis. Every stock today is either underpriced, overpriced or fairly priced. Each situation must be examined individually. My general attitude is conservatively bullish with intermediate term commitments limited to less exploited situations with a minimum of downside risk.

The best technical action for the present market would be for it to hold around present levels in the averages while individual issues have moves of their own, both up and down, depending upon earnings, dividends and special developments. The only thing that would make the market vulnerable at this time would be speculative excesses that would temporarily bring the market out of line with immediate earnings and dividends.

Speculative excess is much more likely to be the reason for a possible 20% or 25% decline in stock values than any drop in general business and in earnings. A like situation was experienced in 1946 when a rise in speculative issues and general overspeculation in new issues brought about a market break despite the fact that earnings were moving higher. Such speculative excesses have developed to only a relatively mild degree at the moment but if they should continue it would be likely to result in governmental action to curb overspeculation. This might take the form first of a rise in margin requirements which would have a minimum effect. Eventually, the more drastic action of tightening money rates might be used. This action could be quite effective.

For example, the 10 year average earnings of $22.74, capitalized at twice the yield of 2.9% on AAA bonds, results in a 392 Central Value. The same earnings capitalized at twice a 3.5% yield would result in a decline in Central Value to 325. If speculative excesses develop, I would be inclined gradually to lighten capital gain commitments on strength.

From a long-term investment point of view there seems to be no reason, at the moment, to disturb present holdings or to refrain from adding commitments to undervalued situations. The long-term constructive factors that have caused the market to move ahead are still with us. They are roughly:

(1) The increase in consumption demand brought about not only by the increase in consumer income but by a more equitable distribution of such income.

(2) Population growth.

(3) Increase in money supply.

(4) A more favorable investment climate.

(5) An easy money market.

With a continuance of these constructive factors, it would not seem unreasonable to expect a rate of a 5% annual increase in earnings on the Dow-Jones Industrials between now and 1960. As- bonds during this period, here is suming a 2.9% yield on AAA how a Central Value projection would work out:

	1956	1957	1958	1959	1960
20% above C.V.	509	545	580	604	628
Central Value	424	454	483	503	523
20% below C.V.	333	363	386	402	418

Of course, the rate of increase in earnings will not be as regular as 5% annually but the values projected above could, in my opinion, work out by 1958-1960. Thus, I see no reason to change my opinion expressed in the *Commercial and Financial Chronicle* article of Oct. 21, 1954 that a rise to the 600 level by 1958-1960 is a distinct possibility. However, I would change my opinion to the effect that the Industrial Average will not sell below 300 for the next decade. My present belief is even more optimistic. I do not believe the average will sell below 335—except perhaps momentarily—in the next five years, nor below 300 in the lifetime of most of the readers of this article.

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News About Banks And Bankers

serves will be in excess of $11,500,000.

Clifford, Couch, President of Westchester County National Bank of Peekskill and Ralph B. Feriola, President of the Crestwood National Bank in Tuckahoe were added to the Board of Directors by action of the stockholders. Mr. Couch has been President and Chairman of the Board of Directors of the Peekskill bank for over 20 years. Mr. Feriola has been President of the Crestwood bank since its start in 1933. The main office of National Bank of Westchester will continue in White Plains with additional offices being operated in Crestwood, Eastchester, New Rochelle, Peekskill, Tarrytown, Tuckahoe and Valhalla. Ralph T. Tyner, Jr., President of National Bank of Westchester, at the conclusion of the stockholders vote stated that all officers and staffs of both banks will continue as part of the management and staff groups of National Bank of Westchester.

* * *

Management of **Marine Midland Corporation of Buffalo, N. Y.** revealed on April 1 that substantial additions have been made to the capital funds of four **Marine Midland Banks** totaling $13,015,000 with an additional million to be added to a fifth **Marine Midland Bank's** capital on April 15. The banks receiving these increases and the amounts added to their capital funds are **The Marine Trust Company of Western New York** $5,015,000; the **Marine Midland Trust Company of New York** $5,000,000; the **Genesee Valley Union Trust Company of Rochester, N. Y.** $2,000,000 and the **Marine Midland Trust Company of Southern New York** $1,000,000. On April 15, $1,000,000 will be added to the capital funds of the **Marine Midland Trust Company of Central New York.**

Funds for the increases come primarily from the parent company, Marine Midland Corporation, through the purchase of additional capital stock in each of the banks. In commenting on this action by the corporation, President Baldwin Maull stated:

"The New York State economy has made tremendous strides in recent years. There is evidence of great future growth in the State which should be accelerated by completion of the New York State Thruway and the power and waterway projects in the St. Lawrence area. It is our purpose to make certain that our banks are geared to meet not only the current financial needs of this economy but those that seem certain to develop in the coming years."

* * *

Shareholders of the **Broad Street Trust Company of Philadelphia** and the **Prospect Park State Bank of Prospect Park, Delaware County, Pa.**, at separate special meetings held March 30 approved the Joint Plan of Merger heretofore agreed to by the Directors of each Bank, reference to which appeared in our March 10 issue, page 1142.

* * *

Roman Beuc has been elected an Assistant Vice-President of **First National Bank in St. Louis,** it was announced on April 2 by William A. McDonnell, President. Mr. Beuc has been with First National Bank since 1932. He began his banking career with the old **American Trust Company** as an office boy in 1921 and joined First National when the **Franklin American Trust Company,** successor to the **American Trust Company,** was merged with First National. Mr. Beuc was elected an Assistant Cashier of First National Bank in St. Louis in 1952. He will continue as head of the Job Evaluation and Merit Rating Divisions of the bank.

* * *

The Love Field State Bank of Dallas, Texas has increased its capital and surplus to $1,000,000, according to Gus Bowman, President. Effective April 1, the bank s capital was increased from $250,000 to $500,000 and surplus from $250,000 to $500,000. Organized in 1945 by Wm. A. Blakley, now Chairman of the Board, the Love Field State Bank will observe its 10th anniversary on Dec. 15, this year.

* * *

Sale of the assets of **The First National Bank of Riverdale, Fresno County, Calif.** to the **First Western Bank and Trust Company of San Francisco, Calif.** has been approved by stockholders and regulatory authorities, it was announced on March 29 by T. P. Coats, Chairman of the Board of First Western. The Riverdale institution opened on April 1, as an office of the First Western, Mr. Coats said. This will be the First Western's 57th office and the 42nd community to be serviced by the bank. The First National of Riverdale had assets of $2,121,000 and total deposits of $1,925,000. First Western's offer to acquire the assets of the Riverdale bank was announced recently. The new Riverdale office of First Western will be managed by E. L. Julien, Vice-President. He was President of the First National.

First Western Secs.

OAKLAND, Calif.—First Western Securities, Inc. is engaging in a securities business from offices at 1419 Broadway. Charles W. Kurck is a principal.

S. J. Marino Opens

(Special to THE FINANCIAL CHRONICLE)

SANTA BARBARA, Calif. — Stephen J. Marino is conducting a securities business from offices at 14 East Canon Perdido.

R. A. McMann Now Hardy Co. Partner

Hardy & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, announced that Raymond A. McMann, a member of the Exchange, has been admitted to general partnership in the firm. Mr. McMann was formerly a partner in Dommes, Koerner & McMann.

Beer Opens Branch

VALDOSTA, Ga.—Beer & Co. have opened a branch office at 101 Toombs Street. Strother C. Fleming, Jr. is in charge.

The Commercial and Financial Chronicle . . . Thursday, April 7, 1955

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Studying the Course of Stock Prices

monly called charts. I do not particularly agree with "Fortune" magazine's recent statement that the market is not a predictor, but only an actor. Actually, the daily action of the market foretells things to come. It predicts the action of men, not of course, acts of God. Every day there are individuals who become either more confident or less confident on the prospects of an individual stock or groups of stocks. Their buying and selling and the corresponding market action in making these important decisions and putting their money on the line, so to speak, reveals to those working with charts indications that can be of great aid to investment managers.

Actually the market price of a stock is the composite opinion of many persons who have made a practical appraisal in their own interest. Price isn't necessarily established by the value back of a security. It is established by what willing buyers and sellers consider a stock to be worth at a given moment, or what it is paying, or is expected to pay, in dividend return. These daily judgments of the best investment thinking throughout the world are collected from the ticker, averaged and plotted, resulting in a chart. They tell an impartial story about the price trends of a stock, and the interpretation of these price trends and the reading of the chart are most important factors to consider when forming any conclusions. In this connection, the buy and sell signals that are sometimes indicated from a study of charts are often well worth taking into account and following.

400 Dow-Jones Average on Solid Fundamentals

I believe that the 400 D.-J. level was achieved on pretty solid fundamentals. Earnings are now substantially higher than last year and dividends are not cut of line with the price of the market. In general, the price-earnings relationship is certainly not unreasonable. The President of the New York Stock Exchange at the recent Congressional hearings stated that the present market is now selling at only about 13 times earnings, as against 17 times earnings in 1929, and stock yields are averaging 4.3% against 3.3% then. Quite apart from the yields and earnings, we must not forget that the purchasing power of the dollar has declined about 50% since 1929, with wholesale prices up 77% and consumer prices up 56%, and the stock market up only 17%. In terms of the Dow-Jones averages on a dollar purchasing basis some experts have figured that it is selling at a price equivalent to two years ago, or 260 D.-J. Also the spread between high-grade bonds and stock yields is about 1⅝% in favor of stocks.

Now we hear the question asked on all sides, "Is the stock market too high?" When the market performs as a unit, anyone with enough capital to diversify widely is certain to benefit if he succeeds in detecting important turning points. But, anyone familiar with the terrific gyrations of the stock market in the past three or four years knows how important the selection of securities can be to any investment program. We can have inflation for many years ahead, but there will be periods when the government will attempt to slow down the pace and keep inflation from getting out of hand. Some slowing down has already resulted from the Fulbright Investigation. The Federal Reserve Board can do it still further by raising the rediscount rate, increasing margins again, as some have suggested, or by other restrictive measures. Such measures should be construed as a protection against a possible letdown, or flattening out, of the currently improving business trend in latter part of 1955-1956.

But, even during inflationary periods, many investors have lost large profits by buying the wrong securities. It isn't necessary for me to theorize on this historical fact, when events and prices over the last few years have so definitely proved this to be true. The prices of thousands of stocks do not now go up or down together, as in the past. Every group enjoys a little market of its own. This is probably because the cross-currents in today's markets have been magnified according to the complexities of the economic and international situations, causing special groups to move independently of others.

For example, amidst the greatest inflationary prosperity the nation has had since 1929, the textile business is just now coming out of a long slump and the sugar industry has barely been able to stay out of the red. Sales and profits in the liquor, drugs and other industries, such as coal, farm equipment, meat packing, moving picture, zinc and lead and rail equipment industries, have been sharply curtailed. In fact, half the stocks on the Big Board are right now selling below their 1946 highs of 212 D.-J. That is one reason why the market as a whole is not really high. This great divergency that exists is another reason why it is so difficult to measure by any composite average the extent of the various sharp corrections we have experienced.

Importance of Studying Individual Corporations

Just going back for two years as of this date, it may be interesting for you to note that the following good quality stocks if purchased during that period would have shown little or no profit, whereas the industrial average has advanced approximately 140 points: American Cyanamid, American Tobacco, Coca-Cola, Electric Auto-Lite, N. J. Zinc, Parke-Davis, United Fruit and United Biscuit to name a few.

This all goes to prove that over the past two years it was more important for the careful investor to pay particularly close attention to the characteristics, research activity and management records of individual companies as well as the technical position of individual stocks, rather than to the level at which the Dow averages, or any other averages are actually selling. The public, in interpreting the market price action, has been wrong many times. It was certainly wrong at the top in 1946 when business was improving. It was wrong at the bottom in 1933 and wrong again at the bottom in 1949, when business started to pick up.

In fact, it is interesting to note that most of the time since the beginning of World War II, the market has appeared out of gear with business. In fact, looking at the Federal Reserve Board's index of production you would note that the trend of business has not paralleled the trend of stocks and the trend in stocks has been out of harmony with the trend in business many more times than they have been moving in the same direction. It could happen again this year.

Investor's Requirements

Investor's requirements may be divided into four general groups: stability and income; liberal yield; appreciation; growth. However, it should be understood that no single stock can accommodate all these factors at the same time, and that all investment portfolios are characterized either offensively or defensively. Appreciation and growth are considered offensive; stability and income are relatively defensive. Incidentally, the definition of a growth stock is the common stock of a company that has demonstrated the ability to produce above average increases in sales, profits and dividends over a period of years. Stocks like Dow, du Pont, Owens-Corning Fiberglas Corp. and Aluminum Company are such examples. Of course, it is quite normal to hold stocks for appreciation in the same portfolio with stocks held for stability, but when viewing the qualities of a particular security, the investor oftentimes fails to emphasize the objective which the stock in question is intended to fulfill.

Most stocks that I suggest are aggressive and attractive for long-term price appreciation potential. When purchases are recommended it is because the technical pattern of a stock, supported by statistical evidence, indicates it is in a position to advance to a specific price level. Sometimes it takes a very long time for a stock to reach a projected price objective. It may also have attraction for stability and income, but I find that most people are interested primarily in price appreciation. Let me state that although capital gain is very desirable, an aggressive stock with a rapid appreciation potential is not a proper issue for a portfolio whose sole objective is stability and income.

How is it possible to project the price action of these individual stocks through the use of charts? As I stated, this is a system, or a road map, which is used merely as a guide and which tends to take some of the guesswork out of the stock market. Please let me make it quite clear that no system is infallible. Neither in bridge, under the Culbertson or Goren systems, nor in the marketplace under the Dow Theory, can a system cover any and all contingencies such as changed psychology, which might result from a sudden news event. You cannot reduce to a mathematical formula anything so varied as the buying and selling habits of individuals, who are prompted by different sets of emotions and reactions, caused especially by these news events.

In fact, there are many occasions when human emotions temporarily render investors and traders blind to the overall strength of the many basic underlying values. But, charts do help arouse in investors' minds the fact that the most obvious interpretations of current events, both economically and business-wise, may not be the correct ones. This was the case last year. To a certain extent the chart student does not have to weigh the effects of thousands of economic facts and factors, either pro or con, as does an economist. So, in a sense, you let the public do some of the thinking for you, especially on the 1,500 or more individual issues that are traded on the two exchanges today. You tend to stay on more solid ground by the confirming or denying of basic fundamental statistics through the use of charts—that is, of course, if you can correctly interpret them. The best results are obtained by close team work between chartist and statistician.

Factors Bearing on the Stock Market

Now, before summing up all the above and presenting you with some definite conclusions on what stocks I recommend buying, I would like to point out a number of other factors bearing on the stock market picture today.

(1) There is the terrific pressure for yield. Money has been invested in stocks first because there is a continuous flight from the dollar. Investors need to find a way to develop more income. There is actually nothing comparable from a yield standpoint where money can be invested. Furthermore, in a number of cases earnings have risen faster than stock prices, so that some higher priced stocks are relatively cheaper than they were two years ago. Also consider that many companies have strengthened their financial position by reducing debt and building up working capital. We are not dealing with the same stocks today. Since the 1940s most companies have also pursued a very conservative dividend policy. Dividend payouts should increase substantially over the 55% overall payout in 1954. So, this tremendous investment interest in stocks has been no accident.

(2) Investors are holding onto stocks longer. They just do not want to sell and pay the capital gains tax. Thus, the ownership of stocks is more stable than it used to be mainly because these shares are held by people who do not trade. This creates a shortage of securities, which also, incidentally, makes for thin markets.

(3) Institutional demand for securities is still strong. Pension funds are still growing rapidly, and they are looking around everyday for growth stocks to buy and put away. Incidentally, the pension funds are estimated to be worth about $13 billion and mutual funds around $6 billion. In addition, there are indications that some of the large unions are broadening their investments to include common stocks.

(4) Stress today should be placed on the selection of individual stocks, mainly because the averages today are very misleading. In fact, the market is not equipped with any satisfactory measuring rod of its own performance. All stock averages have been so distorted by stock splits and other developments that no average is an accurate gauge.

(5) The market has not reached an extreme in price-earnings ratios, or yields. Only the shattering of investors' confidence in the earnings and dividend outlook is likely to push stocks down. As things stand today, the long uptrend in dividend payout is likely to be continued on a broadening basis.

Only recently, 385 on the Dow-Jones industrials, a four-minute mile and a pole vault of 15 feet, represented the ultimate in their respective fields. However, since these records have been reached and topped, it is likely that still higher peaks and newer records will be set. Who is there here today who can predict the final peak of the Dow-Jones industrials, any more easily than forecasting the fastest time for the mile, the loftiest pole-vaulting mark, or how high an airplane will fly. If track conditions and the stamina and psychology of the athlete or flyer are in gear new records will result, just as higher levels will be reached by the stock market if business conditions, dividend yields, values and the psychology of the investing public continue favorable. This bull market has now experienced two 8% corrections since the first of the year. All previous lows on the three averages held on this recent setback. Historically the last severe reaction based on a sudden news event was the Korean War break in 1950, which resulted in a 34 point decline and then recovered to a new high in about two months after confidence was restored.

No Measuring Rod for the Top

At present I have no technical measuring rod to estimate how high the averages will sell this year. As a guess I would estimate that we could very easily reach a new high on both averages sometime this spring, especially since first quarter reports of business during the next few weeks in the steel, automobile and building fields and many other groups favors the bulls. However, I very much doubt that any such new high would exceed the previous closing high on both averages by more than 5%. I would expect another setback in the market to take place carrying down into June. Whether the anticipated spring top will be the top on the averages for the year is very difficult to estimate at the present time, but it should not be the top on many individual stocks. It does not seem probable that another boom will be superimposed on the present already highly dynamic economy, nor can I believe that another 100 point advance in the industrial averages will take place after the long rise of 165 points advance since September, 1953, as some have been forecasting. Let me say right here that most economists agree that business in the first half of 1955 will be excellent, with a distinct tapering off likely to occur this fall. In fact they are in such complete agreement that one is prompted to recall how completely they agreed on a business setback last year at about this time.

Therefore, until there is conclusive evidence from technical studies that major distribution is taking place in the main body of stocks in the market the inescapable conclusion is that well-selected, long-term investment positions should be held and that reactions should be used to make careful purchases in previously unexploited issues. So much for the averages.

Obviously, I cannot see the bargains of a year ago in the same top-quality stocks. Prices have increased over 150% since 1949 on the Dow averages, and 65% above the low of 1953, and that is quite a correction of the undervaluation that existed during the very conservative appraisal of earnings and dividends from 1949 to 1953. A lot of discounting of higher earnings has been done by the price of many of these "blue chip" securities. Just plain common sense dictates prudence in buying many stocks that appear to be fully priced. It seems to me that the balance of 1955 will be a market for lighter blue chips. The spread in yields and price between the two groups has seldom been so wide and this gap should be narrowed. Some of the higher-priced stocks are already selling at 20 to 30 times earnings. There are lots of other securities, which have been recently selling "ex-popularity," that should do better in the months to come, and sometimes the best values are to be found in the poorer acting groups of yesterday that will take over the leadership. Therefore, in viewing the market as a whole, it is absolutely necessary to recognize the character and volatility of the various groups, as the potentials from a price point of view in each group are different and stocks in every group require careful individual study.

A Selected List

Rather than comment on every group of stocks, I thought it might be more interesting to sub-

mit a selective list of stocks in various favored groups which by the various measuring rods correlated and described above, appear interesting for purchase. Some of these stocks are not top quality, but are submitted mainly because they appear to indicate the best appreciation potential from approximately present price levels.

	Recent Price	Hold for Price of at Least
AIRLINES:		
United	44	55
Eastern	46	55
AUTOMOBILES:		
General Motors	94	105
Chrysler	73	82
AUTO EQUIPMENT:		
Libby Owens Ford	69	80
Electric Auto-Lite	39	48
Eaton Mfg.	51	60
AIR-CONDITIONING:		
Carrier	61	75
York	24	30
DRUGS:		
Parke-Davis	45	51
Merck	25	30
Bristol-Myers	32	38
Pfizer	42	48
ELECTRONICS:		
Philco	37	48
Admiral	27	35
Motorola	48	60
Raytheon	23	30
STEELS:		
Wheeling	55	65
National	64	75
Allegheny Ludlum	45	55
Pittsburgh	27	35
LEAD & ZINC:		
St. Joseph Lead	46	53
Eagle Picher Lead	33	45
American Zinc	21	28
OILS:		
Sinclair	54	60
Union Oil	57	75
Richfield	70	85
Kern County	54	70
BUILDING:		
Pittsburgh Plate Glass	67	80
Certain-teed	25	35
Flintkote	43	50
Masonite	30	38
MOTION PICTURES:		
Paramount	37	46
ABC Paramount	27	36
Loew's	18	25
RAILROAD EQUIPMENT:		
Budd	20	25
ACF Industries	55	65
American Steel Foundries	31	40
N. Y. Air Brake	26	35
CHEMICALS:		
Union Carbide	85	95
Olin-Mathieson	52	60
Food Machinery	50	58
RAILS:		
Western Pacific	67	80
Chicago, Rock Island	95	110
Northern Pacific	70	90
Pennsylvania	27	35
N. Y. Central	37	45
St. Louis-San Francisco	27	35
Gulf, Mobile & Ohio	40	50
TEXTILES:		
American Viscose	46	55
United Merchants & Mfg.	20	27
Burlington	17	23
J. P. Stevens	25	35
Beaunit Mills	25	30
METALS:		
Newmont	80	95
Miami Copper	39	50
American Smelting	46	53
RETAIL TRADE:		
Associated Dry Goods	29	36
Gimbels	24	30
Macy	28	35
J. C. Penney	90	100
SOFT DRINKS:		
Pepsi-Cola	19	25
Canada Dry	15	20
Coca-Cola	116	140
PAPERS:		
St. Regis	39	47
Union Bag & Paper	75	85
SUGARS:		
South Porto Rico	33	40
LIQUORS:		
Schenley	23	30
National Distillers	21	28
12 Miscellaneous Stocks:		
Colorado Fuel & Iron	23	30
Burroughs	29	36
General Tire	52	65
Underwood	35	45
Standard Packaging	23	40
International Tel. & Tel.	26	32
Montana Dakota Utilities	29	50
Tung-Sol	28	35
E. W. Bliss	29	38
Pittston	26	34
Fruehauf Trailer	37	45
Bell & Howell	35	45

Finally, a dozen relatively stable issues in various fields are suggested for purchase as they also indicate higher levels:

Company:	Recent Price	Hold for Price of at Least
Swift & Co.	48	60
Standard Oil of Calif.	78	90
Glidden	41	50
Jewel Tea	46	56
Deere & Co.	33	39
United Fruit	53	63
Edison Bros. Stores	26	35
Koppers	44	50
National Dairy	38	45
H. L. Green	32	40
Pillsbury Mills	54	70
American Tobacco	66	75

American Alloys Corp. Common Stock Offered

S. D. Fuller & Co., New York, on April 5 offered for public sale 149,500 shares of American Alloys Corp. common stock at $2 per share.

Of the proceeds of the sale the company will use about $90,000 to construct a new building for the installation of another aluminum smelting furnace which will increase rated ingot capacity from 12,000,000 pounds to 24,000,000 pounds annually. The balance of proceeds will be used as working capital.

The company is primarily a smelter and refiner of scrap aluminum. Due to increasing demand for its products, its ingot capacity has been increased over 50% since 1952 and further substantial increases are now required to supply customers' requirements.

For the six months ended Feb. 28, 1955 net sales were $1,406,579 and net income $23,466. The company reports that earnings in this period were restricted due to non-recurring costs in connection with increasing the monthly capacity during the fourth quarter of fiscal 1954 and first quarter of fiscal 1955.

The company's plant is located in Kansas City, Mo., on 6½ acres of land which it owns.

Two Join Powell Co.

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE, N.C.—Walter E. Bain and William R. Holmes are now with Powell and Company, 120 Anderson Street.

Pittsburgh Bond Club Elect New Officers

PITTSBURGH, Pa.—The annual meeting of The Bond Club of Pittsburgh was held on Tuesday, March 29, 1955, at the Gateway Plaza and the following officers and governors were elected.

President: W. Bruce McConnel, Jr., Singer, Deane & Scribner.

Vice-President: John R. Klima, Reed, Lear & Co.

Treasurer: Arthur F. Humphrey, Jr., Hulme, Applegate & Humphrey.

Secretary: Robert M. Stewart, Moore, Leonard & Lynch.

Also the following were elected to serve as Board of Governors. Harold M. Keir, Jenks, Kirkland & Grubbs, Edward C. Kost, A. E. Master & Co., Addison W. Arthurs, Arthurs, Lestrange & Co., Kirkwood B. Cunningham, Cunningham, Schmertz & Co., and Frank T. Sturek, Mellon National Bank, continue for one additional year as Governors.

Form Fin. Investors

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Financial Investors, Incorporated, has been formed with offices at 1716 Broadway to engage in a securities business. Officers are Donald C. Holmes, President; Dwight M. Miller, Vice-President; and Orval D. Ogle, Secretary.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week — Insurance Stocks

In this era of corporate bigness and of consolidations and mergers that lead to even greater size both of industries and their component companies, it might be well to have a look at the insurance field to see what, in the way of increasing size, is evolving there. It is true that, considering the number of fire and casualty companies, there have been but relatively few mergers among them, compared, let us say, with those among banks and industrial enterprises. But a start has been made with some intra-fleet consolidations and the trend has been set.

Those mergers within fleets in the past few years have been motivated partly to effect economies of operation and partly because of the blossoming of multiple-line writings, which has taken casualty companies into the fire lines and fire companies into casualty writing. Illustrative of this, in 1953 (1954 data not all available yet) 135 leading stock casualty units wrote approximately $125 million in fire-line net premiums, while some 400 stock fire companies trespassed on the casualty's domain to the extent of over $1¼ billion of premiums.

Fire-marine companies we have long had with us, and, until the last decade or two their growth took place at a fairly steady rate over the years. It kept pace quite faithfully with the economy's expansion. Only extended coverage among the principal fire-line categories showed out-of-proportion expansion, going from about $34 million in net premiums in 1940 to $370 million in 1953, an eleven-fold gain while straight fire volume rose in the same period less than three-fold.

For only five years through 1953 here are the precentage gains in net premium volume of the principal lines in the fire group of stock companies:

Fire	23%
Extended coverage	84
Inland marine	54
Ocean marine	5

But let us look at the gains in the same five years in the leading casualty writings:

Auto liability	94%
Auto property damage	112
Auto physical damage	96
Workmen's compensation	37
Liability other than auto	60

Back around the turn of this century casualty surety companies accounted for only about $27,000,000 of net premium volume. By 1953 they were writing the major part of the $7 billion of all stock fire and casualty premiums. In that year automobile lines alone, of all casualty business, were about 2¼ times the volume of straight fire writings.

The magnitude of this business is realized when the writings of the mutual and reciprocal companies is added to the stock companies' volume. These additions account for upward of an additional one-third of the stock companies' writings, to bring the grand total to between $9½ and $10 billion. Insurance has attained big business size. The following schedule gives the growth since 1919 in the principal lines, in thousands:

	1920	1953
Fire	$685,000	$1,306,224
Auto liability	61,286	1,067,937
Auto property damage	25,357	557,153
Auto physical damage	94,388	1,291,159
Accident and health	53,963	425,682
Workmen's compensation	119,788	641,812
Liability other than auto	26,265	333,736
Ocean marine	48,970	152,484
Inland marine	22,250	286,782
Fidelity and surety	51,022	199,059
Glass	17,325	32,849
Burglary and theft	20,720	89,013
Boiler and machinery	7,743	46,346
Tornado and hail	35,600	54,793
*Extended coverage	34,268	370,463

*1940 to 1953 inclusive.

Ranson-Davidson Co. In New Quarters

WICHITA, Kans.—The Ranson-Davidson Company, Inc., announces the removal of its offices to 523 Beacon Building. Officers of the firm are S. H. Ranson, Jr., President and Treasurer; J. R. Stamps, Vice-President and Secretary; David Barnes Vice-President in charge of the San Antonio office; J. S. Ranson, Assistant Secretary and Assistant Treasurer.

"One Cost of a Free Business System"

"One cost of a free business system is a certain attrition of the individual concerns which are relatively inefficient or whose products or services do not find favor with the consumer.

"While the anti-trust laws are by the spirit and intent a means of protecting the smaller businessman from the predatory methods of his larger rivals, they were never intended as an insurance against business failure. Not all can survive.

"This is an unpleasant prospect, to be sure, and serves in part to explain why some industries, acting through trade associations, have instituted programs aimed at 'stabilizing' the market, or at abandoning price competition among their members in order that all might continue to live."—Edward F. Howrey, Chairman of Federal Trade Commission.

Such seems indeed to be one of the attributes of a free, competitive system. If it at times appears harsh and expensive, it also has its compensating advantages.

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Business in 1955—and 1965

and (b) there is some hope that we will not undergo as serious an inflation in the future as the drastic one which we experienced from 1946 to 1951.

Besides the slower dollar advance in the total economy, the proportion of each dollar saved will not increase as rapidly as it has since the end of World War II. Beginning in 1950, the American people substantially raised the proportion of their income saved until by 1953 it had reached the highest peacetime rate ever achieved in this country. In the future, this high rate of savings will continue, but the leveling off in the past two years suggests that it is unlikely to go much higher. Savings in the future will therefore probably not outrun the growth in income as they have in the postwar period.

For the reasons I have suggested, I believe it would be a mistake to simply project the postwar experience and to assume that the savings and loan industry will continue to double in size every five years. The earlier figures I gave you, amounting to a 110% increase by 1965, are, I believe, realistic. They are based on fairly conservative assumptions with respect to the growth of the economy as a whole, and on a continuation of the fine job which the associations have turned out in the past. An increase of this proportion, it seems to me, should be quite sufficient to indicate to management that it has plenty to plan for. The problems related to a doubling in your present size cannot be dismissed with the thought that day to day solutions will suffice. If you haven't already established a Planning and Development Committee in your association I suggest you set one up next week. As an additional suggestion, why not put at least one junior staff member on the Committee? Besides the value to the association of his point of view, Planning and Development Committee work is excellent training for a future senior officer.

The Record of the Past Year

Now let's turn from the problems of the year 1965 to more immediate questions: What has been happening to business during the past year, and what is likely to happen to it during the coming year?

At the beginning of 1954 there were plenty of economists and businessmen who looked for a serious decline during the year. Fortunately, these forebodings did not materialize. It is true that some sections of the country and some particular industries were pretty badly hit, but the economy as a whole experienced only a very mild downturn, and by the end of 1954 most business indices were higher than at the end of 1953. The Gross National Product —that is, the value of all goods and services produced in the United States — amounted to $365 billion in 1953. In 1954, it totaled about $357 billion, a decline of only 2%. It is particularly important to note that the 1953 GNP depended heavily on inventory accumulation. In other words, the 1953 figure did not represent what we consumed; it represented what we produced. And a portion of what we produced was not sold but remained in inventory. If we eliminate inventory change from the 1953 and 1954 figures, we find that there was actually *no decline at all* in 1954 from the 1953 levels.

This analysis is borne out by the figures for consumer spending. In 1953, total consumer spending in the U. S. amounted to $230 billion; in 1954, consumers spent almost $234 billion—a rise of $4 billion. There seems no question, therefore, that 1954 was a very good year. By some standards it was the best year on record; by the most gloomy standards, it can not be described in more unfavorable terms than one of "mild adjustment."

When we move from the economy as a whole to the savings and loan industry we find an even more favorable picture. The savings and loan industry, like the life insurance industry, set another new record in 1954. Total assets of all savings and loan associations rose from $26.6 billion in 1953 to $31.5 billion in 1954, an increase greater than in any previous year. Gross savings receipts, at $11.1 billion in 1954, exceeded all prior years. Even though withdrawals were over $6.5 billion, the net gain in savings receipts set a record of over $4.4 billion. For the savings and loan industry, therefore, 1954 was anything but a recession year.

Now what about the coming year? Will the strong spurt in general business activity which has characterized the past few months continue throughout 1955? If so, what will this mean for the savings and loan industry?

Spending in the Free Enterprise Economy

In a free enterprise economy like our own, business activity depends on, and is conditioned by, spending. If total spending in the United States rises, business activity will move forward prosperously. If spending declines, business activity must decline with it. For this reason, although we usually define the Gross National Product as the amount of goods and services produced, we could equally well say that it measures the total amount of spending. Let me review briefly for you the expected course of each of the major types of spending in our economy during 1955.

First, Government spending. From 1953 to 1954, Government purchases of goods and services declined from $62 billion to $48 billion—a subtraction of $14 billion from total spending. Although this reduction in Federal spending was a necessary correction from the very high level of Government expenditures held over from the Korean War, it nevertheless exerted a strong downward pull on business all during 1954.

In the coming year, this downward drag of falling Government expenditures will be removed. Federal spending will continue throughout 1955 at close to the present level. And state and local spending, buoyed up by the insistent demand for highways, bridges, waterways, waterworks, and public buildings, will rise by at least $2 billion over 1954 levels.

Government as a whole will therefore shift in 1955 from the negative to the positive side of the economic ledger, so that in adding up the balance sheet for the whole economy, we can enter a plus $2 billion in total Government spending, with a consequent upward effect on business activity in 1955.

The second type of spending which exerted a downward pull on business activity in 1954 was inventory spending — or pershaps I should say the lack of spending for inventory. I have already pointed out that the figures for production in 1953 were artificially inflated through inventory accumulation. In 1954, the reverse effect occurred, as businessmen tried to bring inventories into line. Since sales all along the line were being supplied partly out of inventory, production during 1954 did not fully reflect the strength of ultimate demand. Inventory reduction therefore contributed a sort of negative spending, and exerted the same kind of drag on business activity as did the reduction in Government spending.

I believe that in 1955 inventories will hold very close to their present levels. The 1954 inventory adjustment was apparently completed by the fourth quarter of the year and inventory sales ratios have now been brought into very satisfactory position. If inventories are held at about the present level in 1955, this type of spending will have no effect at all on the level of business activity. It is important to note, however, that the downward drag of about $4 billion which inventory run-down imposed on the economy in 1954 will be removed. Relative to 1954, therefore, there will be a net gain of $4 billion in business activity.

New Plant and Equipment Outlays

The third major spending segment in our economy is the expenditures which business makes on plant and equipment. There are a number of agencies in the United States which survey businessmen from time to time and ask them how much they plan to spend on plant and equipment. McGraw-Hill Publishing Company conducts such surveys, as does the Federal Reserve Bank of Philadelphia, and the Department of Commerce and the Securities and Exchange Commission.

When these agencies surveyed businessmen last September and October about their capital spending plans for 1955, the results indicated an appreciable decline in this type of spending. Many economists, however, felt that the responses to the surveys should be interpreted in terms of the depressed state of business psychology at the time. Business sentiment reached a very low ebb last September, so that the surveys tended to reflect an unduly gloomy view of the future.

The Prudential Business Forecast took the view that, as most business sales picked up, businessmen would be likely to revise upward their capital spending plans, so that 1955 capital purchases, instead of declining as the surveys indicated, might very well equal 1954 spending. Subsequent events seem to confirm this estimate. The latest SEC-Department of Commerce survey—published last week — shows a marked upward revision of planned capital outlays. Capital spending is therefore likely to be maintained in 1955 at the same high rate as in 1954. Although this will not lift general business activity upward, there will be no downward drag from this source.

Let's stop at this point to summarize our analysis thus far. We have said that total Government spending (Federal, state, and local) will rise about $2 billion over the 1954 level; that inventories will remain unchanged, but that, because of the cessation of inventory liquidation, the full force of sales will be felt in production, permitting a rise in business activity $4 billion above the 1954 level; and finally, that business expenditures on plant and equipment will hold at about the 1954 level. The total effect of Government, inventory, and capital spending will therefore be to raise business activity $6 billion above the 1954 level.

But we have still not taken account of the most important spender of all — the consumer. Consumer expenditures normally account for over two-thirds of all spending in this country. For convenience, I will divide total consumer expenditures into two parts —spending on homes and all other consumer spending.

There is little doubt that more new homes will be started in 1955 than in any year in our history except 1950, and some optimistic observers even expect the 1950 record to be exceeded. Residential contract awards are now running over 40% above early 1954, and the FHA and the VA have been so swamped with applications that they have fallen as much as two months behind in approvals. Mortgage lenders are committed further ahead than in any recent year. And there seems no limit to builders' plans.

These factors ensure a good housing year for 1955. But it should not be forgotten that newly created demand for homes (arising from the net increase in married couples, the net change in other family and individual households, and the replacement of outworn structures) is running at present only about 800,000 units a year. Production above the 800,000-unit-a-year rate must therefore depend on a backlog of housing demand remaining from previous years or on a willingness to push the vacancy ratio somewhat above its present level. I myself think that the Government is making a serious mistake in artificially stimulating home demand through the overly liberal payment provisions of the Housing Act of 1954. The day of reckoning in the housing market cannot be put off forever, and I shall be very surprised if it can be put off beyond this year.

Despite the ultimate downturn toward which we appear to be headed, it must be conceded on the basis of facts already before us that at least the year 1955 will be a boom housing year. Spending on housing should rise by $1 billion over even the high 1954 level.

Now, what about all other types of consumer spending? I haven't time today to go into all the calculations of population growth, change in the labor force, change in the number of employed, change in average hourly rates of pay, change in the average work, week, change in interest, rent, and dividend income, change in taxes and in savings, which—all together—determine what will happen to consumer spending. Having made these calculations, my estimate for consumer expenditures in 1955 is $243 billion—a rise of $9 billion over 1954.

Now that we have analyzed each of the spending segments of the economy, what does it all add up to for business in 1955? Our estimates have been: Government spending — up $2 billion; Inventory spending — up $4 billion; Capital spending — no change; Home spending — up $1 billion; and other Consumer spending—up $9 billion. Total spending is thus likely to rise in 1955, $16 billion above 1954. This will give us a record Gross National Product of $374 billion, a more prosperous year than any in the past.

In conclusion, what does this mean for the savings and loan industry? On the basis of some of the long-run factors which I mentioned in the early part of my paper, and on the basis of my forecast of general business activity during the coming year, I believe that the savings and loan industry may well top $35 billion in assets before this year ends. I wish each one of you a goodly share in the growing prosperity of this great industry.

Customers' Brokers to Hold Annual Dinner

The Sixteenth Annual Dinner of the Association of Customers' Brokers will be held on Thursday, April 21, at the Hotel Sheraton-Astor.

The speaker of the evening will be Robert Blyth, Assistant to Secretary of the Treasury George W. Humphrey.

Shumway Uranium Min'g Offer Completed

Doxey-Merkley & Co., Salt Lake City, Utah, have completed a public offering of 200,000 shares of common stock of Shumway Uranium Mining Corp. (a Utah corporation) at par ($1 per share). These securities were offered as a speculation.

The net proceeds will be used to pay cost of preliminary drilling program, for exploration and assessment work, acquisition of mining equipment and machinery, and for working capital and other corporate purposes.

The corporation was incorporated on Jan. 14, 1955. It owns 395 unpatented uranium - vanadium claims located in San Juan and Sevier Counties, Utah.

Securities Salesman's Corner

By JOHN DUTTON

Good Customers

One of the most important factors in establishing a clientele of satisfied customers depends upon the salesman's ability to arrive at an understanding with his customers, both as to their needs and what THEY MUST DO to help him assist them in making successful investments. This may sound strange to say that customers must do their part in arriving at a relationship that will enable them to work with their salesman, or advisor, to the best advantage. But if you will think it through, you must come to the one conclusion, namely, not only is it important for the seller to know his business, but the buyer must cooperate with the seller; otherwise the difficulties that are always inherent in the task of making sound investments will be magnified and increased substantially.

Unless a customer gives his confidence to you and you can determine his needs and objectives investmentwise, you are completely in the dark as to the proper approach to his problems. Again, if he is going to allow prejudices, suspicion, emotional bias, or a lack of candor to sway his judgments, you are not going to be able to work with him to his advantage. Timing, the proper selection of individual situations, the handling of switches out of one security into another, are difficult procedures at best and unless you have an understanding with your client the task is even more formidable.

Get Off to the Right Start

If your customer is an investor, interested in long-term capital gain and a fair return, determine right at the beginning that is the road you will help him take and stick to it after you are on it. Many people think they are investors, then they try and become successful speculators without the equipment to do so. You might as well face it right at the start. There are some things you can do for people and there are some things that are not possible.

You can select sound investments that will fit into any investor's plans for the present and the future, but he first must give you his confidence. He must tell you what he owns, what it cost him, how much he has in reserve assets, and what he is looking for in the way of income and capital appreciation. But you can't pick out speculative stocks that will advance in price within a week after you have selected them; you can't always be right when it comes to determining whether a stock should be sold today or held for a better price tomorrow; you can't tell what the market is going to do next week, next month, or within the next hour. And the better it will be for both you and your customer if he understands these things right at the start.

Sometimes good investments fluctuate downward as well as upward. There are temporary reverses that are common to all business and if you own securities you must be ready for these events. Any customer who expects to only buy securities that constantly advance in price, or hold investments that do not suffer reverses, is living in a dream world — and many of them are. Don't hesitate to tell your customer what he must do to help you work with him to his advantage.

Today there are a lot of very nice people who are trying to make a "fast buck" by following tips, and hunches, and every investment firm that is trying to please these people is having one tough job of it. If you have investor clients who buy mutual funds, municipals, and good investment grade common stocks, don't let them stray off on a tangent and start to give you a headache by chasing you all over the map trying to run down some promotional stock, or some wildcat oil or mining speculation. If they want to gamble tell them to think the thing through and decide whether or not they are just being foolish to do so. There are times when you must control the situation—for the welfare of your clients and your own bread and butter.

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Atomic Energy in The Field of Finance

company may have a respectable operation in this field but the atom may still be as invisible in the earnings statement as it is in free air. Best illustrations of this point are the many companies serving as major contractors for the AEC, yet whose income from such contracts is very nominal—usually less than they could earn by using the same management personnel in some other enterprise. Another example: Considerable market play has been given during the last year to those firms producing uranium as a by-product of phosphate fertilizer operations in Florida and elsewhere, yet the processes so far developed for this purpose are not yet profitable.

(3) Has the atomic energy activity of the company already been discounted by increases in the price of the stock? The long and persistent rise in lithium shares, for example, has led many a careful investor to wonder whether he could ever come out ahead, despite a continuing hydrogen weapon program and expanding civilian uses for lithium. This evaluation actually depends partly upon the prospective term of the planned investment. An atomic energy stock may be overly discounted if one wants to chalk up profits in a year, while if one is planning a long-term investment and the field is generally promising, the stock may still be a good buy.

Investigation of these factors, either personally or through an investment adviser, will certainly help point the way toward sound investments in the Atomic Age. And in many ways, such investments are—as George Gobel would say—the best kind.

A New Growth-Type Investment

It is generally agreed that one of the great ramifications of atomic energy development in the realm of finance is the opening of a wide new frontier for growth-type investments. For the investor, small or large, who seeks capital gains rather than dividends, there is no greater area of opportunity than the companies, many of them small, which have a solid position in what I label "the big three" — atomics, electronics and automation.

At the same time, however, selection of these leaders of tomorrow is extremely difficult, as already indicated. This is specially so in the nuclear field, where proper evaluation is often hampered not only by public unfamiliarity but also by a lack of information stemming from security regulations. For example, secrecy surrounding uranium production figures certainly adds to the difficulty experienced in judging the true value of uranium mining shares. Classification of so much information in the power reactor field also clouds the view of any financial analyst trying to chart the future of this phase of the atomic industry and the impact of this progress on the financial world. Even the terms of this new technology are confusing to the atomically uninitiated, as witness the recent publication of a Wall Street brokerage house extolling the virtues of the new radioactive "feed materials" and how they were going to boost farm animal production.

The prescription here, as in all other fields of investment, is a sound analysis of all information which can be obtained, with the analysis performed by an expert, if possible.

Many investors have responded to the financial opportunities accompanying nuclear progress, by putting their savings in a mutual fund of the growth type. This gives them a diversified investment across the atomic energy or related fields, with the selection performed by persons especially qualified for the task.

Atomic Energy May Have Adverse Effects on Existing Investments

Atomic energy development is posing another problem for the investor. That problem is this: New developments in this field may have unfavorable effects upon stock or other investments already held.

In the past, this factor has been somewhat overemphasized and often interpreted erroneously. For example, Harris-Upham customers are constantly asking if they shouldn't sell their oil or their coal stocks because of the prospect of nuclear power. Of course, the answer here is always negative, since 20 years from now we will probably need, as noted before, three times as much conventional fuel for power generation as we use today, despite the expected rapid growth of nuclear power facilities during that period.

There are now, however, and there will probably be many more situations in which atomic energy development threatens to outmode the products or processes upon which a business enterprise depends. For example, plastics, strengthened and made more heat resistant by irradiation, may replace other materials in many familiar products, and manufacturers of such products who cannot shift to the better, cheaper materials will be "out in the cold." Although few companies will actually be put out of business by nuclear progress, many will be affected adversely, especially if they do not move aggressively to adopt whatever nuclear technology is applicable to their particular industry. The investor and the banker, for this reason, should put a premium on aggressive management that will keep abreast of developments in this dynamic field.

The same opportunities — and the same problems — which face the individual investor also confront the institutional investors—the banks, the insurance companies, the investment trusts and others.

Many companies active in the atomic field are continually seeking financing, either to initiate operations, to increase working capital or to expand their activities. As in other growth industries of the past, many of these companies will chalk up really remarkable capital gains over the next decade or so. But just as certainly, many will fall by the wayside. Here again, sound judgment requires that the glamour of the atom be stripped away and a cold analysis made—an analysis well-nigh impossible for one not familiar with this specialized field.

This fact explains why banks, mutual funds and other investing organizations are retaining atomic energy consultants. Their background is often essential to proper evaluation of a particular investment opportunity in the nuclear field. Banks also are using such counsel in their commercial loan departments.

The role of the institutional investor is rapidly becoming more important in atomic energy development. The next 10 years will see him assume a key position. In fact, our progress during and beyond that period may very well depend upon him. This is due primarily to the large capital investment required for construction of the key machines of the Atomic Age, the nuclear reactors, and associated equipment.

Financial Resources Required

The enormity of financial resources required for atomic power development is shown by these figures: Electric power capacity in this country is about 100 million kilowatts. It is expected to double by 1965 and double again by 1975. That means that by 1975, American power-producing capacity will be in the neighborhood of 400 million kilowatts. Sound estimates have placed atomic power's share of that capacity at 25%, or 100 million kilowatts. Using a capital cost of $200 per kilowatt, we see that financing of that amount of nuclear power facilities will require 20 billion dollars.

The great bulk of these funds will be required by electric utility firms, and they will be needed in large blocks of perhaps $50 million each. Being in a regulated industry, utility companies will not be able to promise investors or underwriters large returns on these investments, even when nuclear plants can turn out power more cheaply than conventional generating stations.

This $20 billion figure ignores completely the capital demands inherent in the tremendous future virtually assured for "package" power reactors and for shipboard nuclear propulsion systems — to say nothing of reactors for locomotives and aircraft, both of which we should see in substantial numbers by 1975. The total financing required for all these reactors during the next 20 years will probably approach the sum necessary for major nuclear power plants. With that assumption, our prospective capital demand goes up to $40 billion.

Beyond that, we have as yet allowed nothing for domestic financing of power reactors and other nuclear facilities for the foreign market. The opportunities abroad will be huge and I, for one, hope that U. S. industry's share of that market will be preponderant. If it is, even more capital will be required and some of it quite soon.

It is entirely possible that atomic energy facilities other than reactors—such as radiation laboratories, chemical processing installations and fuel fabrication plants—will involve capital investments bulking nearly as large as those in the nuclear reactor field. The amounts of capital required for projects generally will be smaller and a large proportion of such expenditures likely will be financed internally, but the capital demand will be there.

Viewing this picture, it is certainly to be hoped that investment circles will not turn away from providing the funds so necessary to the Atomic Age pioneers simply because they are unfamiliar with and therefore unsure in this new field. Many in finance, I fear, in considering the impact of the atom, have said to themselves—like Scarlett O'Hara—"I'll think about that tomorrow." Tomorrow is nearer than they think. Atomic energy is rapidly becoming so interwoven with the whole fabric of our economy that financial quarters must become informed in this area. The sooner they do so, the more opportunities will be open to them, and the more they can contribute to the development of a full-fledged atomic energy industry. One thing is sure: Along with the uranium and thorium and zirconium necessary for future development of the atom, we'll also need a lot of silver and gold—or the paper that stands for it.

The Public's Attitude

Judging from its recent attraction to atomic energy stocks, the public is ready and willing to help finance the building of a nuclear industry. So are many of the mutual funds and investment trusts. If this support is continued and broadened, the private atomic industry will be able to proceed full speed ahead. Should such financial support not be forthcoming, we can expect the government to take back the nuclear ball from private industry and run with it. A few members of Congress have predicted this course will be necessary. I believe they are wrong.

The peacetime development of atomic energy will, over the next decade, have myriad indirect effects upon our industrial economy, effects which, taken singly, will be neither obvious nor profound. For example, more than 1,200 industrial firms today are using radioactive isotopes routinely, using them because they do particular jobs better, faster or more economically. This number will double within the next year. Five years from now many thousands of companies in nearly all industries will be utilizing radioisotopes to produce improved products at less cost to the consumer. The application of radiation to "cold" sterilization and to chemical processing also comprises a promising field. Such activity cannot fail to have important ramifications in industry and consequently in the realm of finance.

Ranger Lake Uranium Shares Offered at $1

An offering of 300,000 shares of common stock (par 10 cents) of Ranger Lake Uranium Co., Ltd is being made at $1 per share by James Anthony Securities Corp., New York; Lawrence A. Hayes Co., Rochester, N. Y.; and Ned J. Bowman Co., Salt Lake City, Utah. These shares are offered as a speculation.

The net proceeds from the sale of these shares are to be used to repay a loan of $10,000; to pay for surveying, prospecting and exploring claims; for development work; and for working capital, etc. (including acquisition of certain claims).

Ranger Lake Uranium Co., Ltd. was formed under the laws of Delaware on Aug. 25, 1954. The properties under consideration consist of two groups (the Ranger Lake and Saymo Lake groups) of 15 claims each, a total of 30 claims containing 1,200 acres more or less. The properties are located in the Province of Ontario, Can.

Walker Hill

Walker Hill, partner in Hill Brothers, St. Louis, passed away on March 25.

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As We See It

is in the least likely to relieve us of our farm problem, which has been with us continuously for many years, even decades. They do not make sense and they are not likely to solve our farm problem for the reason that they ignore the basic nature of the difficulty and try merely to come up with something that will please the farmer on election day.

The Real Trouble

The real trouble is that the farmer has for generations been defying simple, plain economic laws and has been encouraged and aided in so doing by a government interested chiefly in his vote. Take a look at the record. Agricultural production has been growing much faster than population in this country for a long while past. Improved methods of culture, discoveries in breeding, widespread mechanization, and the like have enabled each individual on the farm to produce a great deal more than he did a generation or two ago. Although there has been a decline in the per capita consumption of some products, most of them are now consumed in larger amounts by each individual in the much larger population, and all of them, or nearly all of them, are demanded in larger gross amount than formerly. Yet there are the surpluses!

Now the natural answer to such a situation as this is for some of the people engaged in farming to turn to something else. Normally, the price mechanism forces such a change. After all none of us is entitled to anything from any other of us except in exchange for something that is wanted. In normal circumstances, none of us will long get much from the rest of us except on some such basis. The mobility of labor and resources is lower probably in agriculture than in almost any other branch of business for reasons which need not detain us here. It would, however, have asserted itself in much greater degree than has been the case had it not been for the politician who in this and in so many other cases insisted upon taking from him who hath and giving to him who hath not—that is, when he who hath not in an economic sense hath a great deal in the political coin of the realm. The inevitable result was, of course, that the pressures which would normally drive the farmer to some other line of activity where he could be of real economic service to the community were greatly reduced and often completely eliminated. The net of it all has been that the basic ailment has grown from bad to worse as the years have passed.

It used to be felt necessary to defend such policies with a statement that farming was not a business but "a way of life." And the implication was that we as Americans must subsidize this way of life to save ourselves. Although this manner of speaking is of relatively recent origin, the notions behind it are very old in this country. To many of us agriculture has always been *sui generis* in one way or another. Originally we were all, or very nearly all of us, agriculturists. There are a good many who have never gotten over it. Many farmers doubtless are able to convince themselves of the justice of such a cause, the more easily by reason of the fact that we still subsidize so many manufacturers by means of the tariff, and various other elements in the business community in one way or another, as for example, shipping and aircraft operation.

It Must Stop

Yet somewhere this sort of thing has to stop if we are not to impoverish ourselves by our own folly. We may as well stop hoping or trying to hope that somehow the people of this country can be persuaded to consume more of these products, or sufficiently more of them to prevent the accumulation of surpluses so long as production remains at recent levels. Neither had we better continue to deceive ourselves with the notion that somehow these surpluses can be disposed of abroad. For purposes of dealing with our own farm problem we can very well afford to forget all the vague talk about underfed peoples in various parts of the world. There are many, doubtless, who would be well served if they had some of the surpluses, but the very fact that they are underfed and underclothed and all the rest bespeaks an economic status that forbids them to enter our markets.

Agriculture will regain its health in much the way that so many other industries have survived or metamorphosed themselves into something else when the progress of mankind left them stranded or threatened to leave them stranded. The buggy and carriage industry became the automobile or agricultural machinery industry; the village blacksmith is now the automobile mechanic, and more of the same sort. It is not an easy prospect for the farmer. Most of them are farmers by inheritance, by family tradition, by almost a sacred calling. Many of them are now too old to make drastic changes in their mode of life and of earning a living. Salvation for them—salvation, that is, from penury or serfdom—will not be easy.

But a beginning has to be made sometime. That beginning probably must be to commence by leaving the farmer to his own economic devices, to start letting economic forces operate in a normal way upon the agriculturist. Until something of the sort is done, we shall always have a basic agricultural problem on our hands. It is disheartening to observe no hint of any such idea in any of the things that are being said about the farmer in Washington.

Phila. Inv. Women to Hold Dinner

PHILADELPHIA, Pa.—The Investment Women's Club of Philadelphia will hold their fourth dinner of the 1954-55 season on Monday, April 18 at 6:15 p.m. in the Regency Room of the Barclay Hotel.

Miss Lucille Farrell of H. G. Kuch & Co., Chairman of the Entertainment Committee has announced the guest speakers will be Mr. and Mrs. Clarence Widell of the Viking Travel Service, who will present a film on travel through Europe. Since most of the members are in the process of planning their summer vacation, it is anticipated that the entertainment will prove very popular.

Smith, Barbour & Co. Opens in Los Angeles

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Smith, Barbour and Company has been formed with offices at 111 West Seventh Street to engage in a securities business. Partners are Jack M. Barbour, Victor J. Brady and Richard H. Barbour. Jack M. Barbour was formerly president of Gross, Rogers, Barbour, Smith & Co., with which Mr. Brady was also associated.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

Treasury securities are still in a defensive mood, with not a few opinions around that there will not be a pullout from the prevailing market trend until lower quotations have been reached by some of the more distant maturities. It is felt in certain quarters that future action by the monetary authorities will tend to have a somewhat depressing influence upon prices of government issues. On the other hand, there are those who are inclined to believe that current quotations for many of the Treasury issues have discounted in a big way anything that might be done by the powers-that-be in the future.

There appears to be no lessening so far of the confusion which has been so prevalent in the money markets, and it will no doubt take action by the monetary authorities in one direction or the other to dispel this uncertainty. In the interim, the demand for governments seems to be almost entirely for the short-term liquid obligations. The firming in commercial paper rates was not an unexpected development.

Orders on Scale-Down Basis

Buyers of government securities, aside from those in short-term category, appear to be doing very little at this time. Pension funds of the public variety are in the market from time to time, and it seems as though there would be very little in the way of support for individual issues if these buyers were not around to take not too large amounts of certain of the longer term, higher coupon obligations. To be sure, it does not take very much in the way of buying or selling to have a noticeable influence upon quotations of the longer Treasury maturities because of the thinness of the market.

However, there may be a bit of deception in the so-called thin market classification because there are indications that some really good sized buy orders have been placed on the scale-down basis in order to pick up selected issues at prices which are considered to be favorable by certain institutional investors.

Competition From Other Markets

Nevertheless, there appear to be no indications yet that prospective buyers of government obligations are going to get excited and rush in and take them at prevailing levels. Competition for the investment dollar is just about as keen as it ever was, with mortgages, corporate obligations, consumers loans, and the stock market giving government obligations plenty of rivalry for this money.

For the time being, at least, it seems as though non-Treasury obligations have the edge for these funds because the income factor appears to be very much in their favor. This competition is not going to be eliminated very readily unless the powers that be make some moves which would tend to have a lessening effect upon these non-government forces. This is a very delicate operation and must be handled with great skill, which probably explains in some measure the cautious and selective way in which the monetary authorities have been handling the money markets.

Rediscount Rate Discussed

Even though the talk about a change in the rediscount rate has subsided, this does not eliminate the possibilities of an upward revision in this rate, according to certain money market specialists. The credit limiting operation of the monetary authorities is bearing fruit and it appears as though it would become more productive with the passage of time.

However, it seems to some money market operators that more effective measures will have to be taken by the powers-that-be in order to accomplish what they appear to be trying to do. This, it is believed by some in the financial district, will have to be brought about by putting more teeth in the mechanism, which would mean a higher rediscount rate.

Long 3s In Demand

Commercial banks in the out-of-town areas have been in the market again for the longest Treasury bond, the 3s of 1995. It seems as though these institutions have not seen fit to follow prices up in order to get the securities which were wanted. On the other hand, when quotations came down and were at levels not too far away from the issue price, these commercial banks, with important savings deposits, stepped in and made commitments in the recently offered 3s.

The demand for near-term governments continues to be on the sizable side, with private pension funds and state revenue monies being among the most important buyers of these issues. Large corporations for the time being at least appear to have their short-term needs pretty well taken care of through the tax anticipation certificates which were recently offered by the Treasury.

Cottingham With Pledger

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Harry A. Cottingham has become associated with Pledger & Company, Inc., 210 West Seventh Street, members of the Los Angeles Stock Exchange. Mr. Cottingham was formerly with Lester, Ryons & Co. and Paine, Webber, Jackson & Curtis. In the past he conducted his own investment business in Los Angeles.

With William R. Staats

(Special to THE FINANCIAL CHRONICLE)

VAN NUYS, Calif.—Norban F. Hargrove is now with William R. Staats & Co., 14512 Sylvan Street.

Wagenseller & Durst Add

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—David B. Nicholson has been added to the staff of Wagenseller & Durst, Inc., 626 South Spring Street, members of the Los Angeles Stock Exchange.

With R. A. Harrison

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Harold E. Maltby is now with Richard A. Harrison, 2200 16th Street.

Joins Calif. Investors

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Lillian Mitchell has joined the staff of California Investors, 3924 Wilshire Boulevard.

Continued from first page

Oil Additives—A New Chemical Industry

drive a contraption of ancient vintage. The actual results may not have been as striking as claimed or implied, yet the car owner has become conscious of the fact that chemicals are now being added to his fuel.

Additives are chemicals which, when added to a petroleum product, change the chemical and/or physical characteristics of such products of the refinery by increasing the service life, efficiency, and market appeal of such products. Such additives may be used to supply new properties to the petroleum product and to replace some chemical constituent which may have been removed during the refining process. In many cases, it is cheaper to add a chemical to the petroleum product than to subject it to additional processing expenses. In many cases, however, no amount of additional refining will impart the characteristics to the product that an additive will. Additives, like dyes, are also used to make a product more appealing to the consumer or to establish a brand identity.

In gasolines, tetra-ethyl lead is still the leading additive. Nearly 500,000,000 pounds are consumed annually. Second in importance is plain alcohol, with a number of other classes of additives being used to the tune of a few million pounds every year. The latest additive, TCP (tricrsyl phosphate) has already reached multi-million pound and dollar proportions, although only on the market a couple of years.

Today's aircraft could not fly with the aviation gas made two decades ago. The high compression auto engines would not be a commercial fact if the proper gasolines had not been developed. Where the octane value of gas was about 55 in 1925, some of today's premium gasolines run between 95-96 octanes.

Lubricating Oil Additives

This recent growth in petroleum additives is especially notable for lubricating oil additives. Whereas $40,000,000 worth of additives were put into oils back in 1948, the current rate of application is nearly four-fold. In 1948, it is estimated that about 5 cents of chemicals was added to every gallon of oil. The current rate per gallon is up to 12 cents, with the per gallon cost expected to continue to increase.

Lubricating industry and the home is not the simple job it used to be. After some ingenious ancestor of ours invented the wheel —a great technological advance— lubrication probably became a problem to man for the first time. The demands, however, were modest during the dawn of recorded history, with tallow serving as an excellent lubricating agent.

Today, the picture has changed radically. The science of lubrication has become exacting. The wear and tear of expensive machinery are a major maintenance and replacement factor in both industry and the home. Machines are expected to operate under widely varying conditions and climates — and operate with the least trouble to all concerned. Lubrication has become specialized, with such products as motor and engine oils, turbine oils, hydraulic oils, transformer oils sold commercially. There are special oils for woodworking machinery, for food processing machinery, for mining equipment, for textile looms—even for the office typewriter. We sell special break-in oils. The Diesel motor is different from automobile engine oils. Each demands distinct and separate performance characteristics.

To satisfy these demands for such a wide variety of lubricants, industry has devised special refining methods. Yet, the mere refining, even by the best techniques, is not sufficient to bring out the best, desired characteristics for every use. Consequently, the chemical and petroleum industries have developed a range of chemical compositions which impart special effects and performance characteristics to lubricating oils.

Right after the war, one car manufacturer recommended the use of heavy duty motor oils. Others have been following suit since then. The use of these newer oils have proven themselves time after time. Despite higher prices, the motorists have been using them in increasing quantities. A typical operating test was carried out in New York, where one cab company used regular motor oil in 250 taxis and a newer oil in another 250 cabs. Changing the oils every 1,250 miles, the company found out that engine overhauling was necessary on the average of 40,000 miles of driving with regular oils and 100,000 miles with the newer oils. Another indication of improved lubrication is the decline in the sale of piston rings to the replacement market. Furthermore, most car manufacturers have gotten away from the old "1,000-mile oil change" theology, with one Detroit producer recommending a change every 2,750 miles for certain types of light driving.

The oils used in the Ford Model "T" would ruin the car you drive right now. Everytime Detroit changes the design of the American automobile, new lubrication problems arise. Here are just a few recent examples. Certain new V-8 engines presented a problem in the extreme wear in the valve train assemblies. Additives came to the rescue. In city driving, the constant stop and go of traffic is instrumental in forming low-temperature sludges. Detergents and anti-oxidants have been of great help in this respect. The general introduction of rear-axle hypoid gears in cars and trucks was achieved only after the development of proper oil additives. These gears operate under extreme pressures and have high tooth surface slipping rates. Their efficient and effective use was made possible only after the development of additives which permit the proper lubrication of every part of the gears under these extreme operating conditions. The new "automatic" automobile, with its power steering, power brakes, power seats, power windows (possibly soon even a power ashtray), the automatic transmission fluids, etc., all present special problems which refining alone cannot economically solve. Chemical additives have been used in every case to satisfy exacting demands.

Lubricating oil additives are classified generally as:

Detergents, which hold sludges in suspension to prevent their deposition on engine surfaces.

Oxidation Inhibitors, which check the formation of such sludges.

Viscosity Index Modifiers, which maintain the inner tension of the oil molecules under changes in the temperature.

Pour Point Depressants are chemicals which lower the temperature at which oils will flow or pour.

Extreme Pressure Lubricant Agents, which coat metal surfaces under operating conditions of extreme pressure.

Oiliness Agents, which increase the strength of film adhesion to metal surfaces.

Rust Inhibitors, chemical compounds which prevent corrosion, often due to the presence of moisture.

Dyes, used to change the color of the oils.

Antifoam Agents, which are compounds which depress the tendencies of some oils to foam under certain operating conditions.

It should be emphasized that among the multitude of chemical compounds which are used as additives, many perform more than one of the above functions. Furthermore, it is usually true that the additives required not only vary from oil to oil, but the exact amounts used may also vary for each run of each oil produced in the refinery. Some manufacturers of additives sell all purpose compounds, which are usually a combination of additives which are claimed to perform most of the desired functions.

Detergents and oxidation inhibitors improve the performance of the lubricating oils, and consequently, the operation and performance of the engines lubricated. Their action is two-fold: (1) they reduce or at least control contamination of the engine by deposits, and (2) help to retard undesired oil-oxidation. In this combined action, therefore, this class of additives permit performance levels to be obtained which even the best refined oils cannot attain alone.

The viscosity index of an oil indicates changes in the flowability of an oil in relation to changes in the temperature of the oil. A low VI oil will thin out when hot, thicken when cold. High VI oils, therefore, are desirable, since they will more or less maintain a stable viscosity and give an even performance over a reasonable range of temperature. The motor oil of your automobile, for example, is expected to lubricate the engine when the car is cold, yet do an identical job after the car has been driven for many hours. To accomplish these jobs, special chemicals are added to the refined oils.

The pour point of an oil is determined by finding the lowest temperature at which the oil can be poured. The depressant will lower the temperature at which such non-flow characteristics set in for an oil. In some cases, the point can be depressed as much as 50 degrees to 60 degrees F. by an additive.

Chemicals which improve the film strength of oils, that is, which make the oil oilier, make it adhere more readily to metal surfaces, are required in oils used to lubricate new engines, for certain types of gas compressors, etc. Strange as it may seem, an oil may not be oily enough.

As the name implies, rust inhibitors are additives which control or prevent unwanted oxidation in oils and thus reduce this corrosive effect on the metal surfaces of the equipment lubricated.

The Oil Additive Market

The current market for lubricating oil additives shows that detergents and inhibitors are the most important chemicals used, with a current consumption of about 200,000,000 pounds of chemicals (active ingredients) worth about $80,000,000. Extreme-pressure gear oils additives are estimated to sell at a $15,000,000 per level right now, amounting to about 60,000,000 pounds per year, while viscosity index modifiers are used in the amount of about 25,000,000 pounds, also worth about $15,000,000. About 10,000,000 pounds and $10,000,000 worth of pour point depressants are

used, the other major class of oil additives.

The production of such oil additives is shared by both the petroleum and chemical industries. Despite the large size of the lubricating oil industry, oil producers who manufacture their own additives control only about one-third of the oil capacity. Many oil producers prefer to buy the additives. It has been this fact which has made the additive field so interesting to a number of chemical companies. The leading manufacturers of oil additives are:

Petroleum Companies

Standard of New Jersey
Shell
Standard of Indiana
Oronite Chemical

Chemical Producers

American Cyanamid
Lubrizol
Monsanto

Of course, there are others selling to this market, but these companies have developed the most complete lines of additives for the oil industry.

Although the development of a typical oil additive takes only about two years (as against five to seven years for most chemicals and refinery processes), the amount of money and time spent in such development work is extensive, to say the least. Development usually starts with industry demanding new properties in their oils. After a suitable compound has been found, it must be extensively tested to make sure that it is completely compatible, does not interfere with operations in any manner, does not interfere with the action of other additives, or have toxic or obnoxious effects. After full development, the sales of such additives require an extensive customer service. Such service obligations are inherent in any field which is as diverse and complex as the oil additive field.

The future of oil additives seems to indicate a continuing rapid growth. The pressures, speeds and other extreme operating conditions of modern machines, the extension of man's work into the arctic, antarctic, tropics, and eventually into space itself, will call for more stringent lubricating requirements, demanding new additives, and even new types and methods of lubrication. Oil additives, therefore, will assume greater and greater economic importance.

Gerber Products Stock Offer Underwritten

Gerber Products Co., Fremont, Mich., a leading producer of foods for babies and young children, is today (April 7) offering holders of its $10 par value common stock, rights to subscribe for 99,914 additional shares on the basis of one share for each 20 shares held of record April 6, 1955. Subscription price is $34 a share, and rights expire at 2:30 p.m. (CDT) on April 25, 1955.

An underwriting group headed by A. G. Becker & Co., Incorporated, will purchase any unsubscribed shares.

The company will add the proceeds to working capital for general corporate purposes. Annual sales in the last five years have increased from $39,000,000 to $78,000,000, making necessary substantial capital expenditures and larger working capital. Unaudited earnings in the 10 months ended Jan. 31, 1955, were $4,340,842, equal to $2.15 a share of common stock.

With Slayton & Co.

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—Edward Shipper is now connected with Slayton & Company, Inc., 408 Olive Street.

Chemical Industry Expanding In Outlying Areas

William C. Foster, President of the Manufacturing Chemists' Association, points out, of 480 construction projects in the industry, only nine are in major metropolitan centers. Says industry is now jet-propelled into the future, and is now the fourth largest in the country.

William C. Foster, President of the Manufacturing Chemists' Association, in an address before the 30th Annual Conference of the American Industrial Development Council in Washington, D. C., on April 4, stressed the expansion of the chemical industry away from the large cities into outlying areas. He pointed out that of a recent list of 480 construction projects in the chemical industry, only nine, or less than 2%, are in major metropolitan centers. Speaking of this movement and the rapid growth of the chemical industry, Mr. Foster stated:


William C. Foster

"In my present work I am chiefly concerned with an industry which is almost jet-propelled into the future. Unlike some industries struggling to keep up with progressive competition, ours is an industry which has consistently been in the vanguard of technical progress, and therefore we are oriented toward the future in a surprising degree.

"We cannot forget the fact, also, that the chemical industry, now one of the four largest in the country, is closely bound up with every other type of production in the country, and therefore shares responsibility for and the opportunity of the future of the entire U. S. economy.

"We see this concern with the future throughout the members of our Association. They represent something more than 90% of the tonnage of U. S. chemical production and range in size from very small companies to very large ones. More than half are classed as small business. Some are quite old by American standards and some very new. The variety of their production, size and markets indicates the difficulty of defining this chemical industry. But one thing common to them all is their emphasis on the future, through research, development and industrial planning.

"The basic changes in America affecting geographic economic development are too large and complex, at least from my standpoint, to assess them as a complete picture. Some of the more important ones, however, are well deserving of as much discussion as we can give in this limited time.

"The first that comes to mind, and probably most important, is the great increase in the over-all domestic market for goods and services, and the changing and improving pattern of buying power of this market. We now face the probability of approximately 40 million more people in the country within 20 years from now. When I think of teeming, crowded New York, this figure becomes somewhat awesome since it is equivalent to roughly five times the present population of that huge metropolitan area. This is a growth projection for only 20 years. There is no reason to believe that, short of a cataclysm, this trend will slow down or stop then. . . .

"In this connection, another important point is that markets are tending to level out geographically. I do not mean to say that there do not exist wide differences still between the consumer buying power of one locality and another, but the trend is toward a lessening of these differences.

"At the same time the warehousing and marketing patterns of our country have changed remarkably in just a few years. The most apparent evidences are the new large shopping centers, which are revolutionizing the consumer buying habits of much of America. In the chemical industry we see an increasing trend toward decentralization of marketing and distribution points. Basic chemicals are shipped in bulk to smaller plants, closer to markets, for formulation into finished products. . . .

"The trend of industrial development away from large metropolitan centers, especially in heavy industries, has been marked for several years. This is particularly true in the case of the chemical industry. In looking over a recent list of some 480 construction projects in the chemical industry, I found only nine in or near a major metropolitan center—less than 2%. Many of these projects are in communities which have not had a chemical industry before or have had chemical plants for only a few years.

"I am not predicting a decline in our cities. Such a prediction would not be sound in the face of the remarkably effective development programs now being conducted in many of these cities. The changes in America are nowhere more impressive than they are in such cities as Pittsburgh, Philadelphia, Chicago, Los Angeles and many others. The trends I have mentioned indicate to me that the cities will overcome a good many of their problems and greatly increase their usefulness, but that the major share of our future expansion will be in other areas. As pure speculation on my part, I do not foresee the establishment of new metropolitan centers as we now know them, but rather, substantial growth of a great many smaller communities and in many cases the creation of new urban centers where formerly there were only small country villages or no organized community at all. This sort of modern pioneering is going on now in many locations and the adaptability with which Americans are forming new communities must provide fascinating study material for sociologists.

"Decentralization is more and more accepted practice, so that chances of seeing a new, major self-contained manufacturing, sales and distribution unit in one location are diminishing. This works to the advantage of a community in that it offers the opportunity for more diversification. The towns that once depended on the ups and downs of a single industry—often a single company—are becoming fewer in number."

A. G. Becker & Co. Moves San Francisco Branch

SAN FRANCISCO, Calif.—A. G. Becker & Co., Incorporated, have removed their San Francisco office to the Russ Building. Malcolm Skall, Assistant Secretary of the firm, is in charge.

Blair Group Offers West Texas Utilities Bonds at 101.997%

Blair & Co. Incorporated and associates are offering $7,500,000 West Texas Utilities Co. first mortgage bonds, series D, 3⅜%, due April 1, 1985, at 101.997% and accrued interest, to yield 3.27%. The group won award of the issue at competitive sale yesterday (April 6) on a bid of 101.45%.

West Texas Utilities Co. is a public utility engaged in generating, distributing and selling electric energy in central, western and southwestern Texas. At Dec. 31, 1954, the company furnished electric service at retail to about 100,500 customers in 168 communities and adjacent rural areas, located in 49 counties in Texas, and supplied electric energy at wholesale to 15 rural electric cooperatives located in its territory. The company serves a territory predominantly agricultural, producing cattle, sheep, goats, cotton, wool, mohair and feed crops. Natural resources include oil, natural gas, gypsum, building stone, mercury and ceramic clays. Manufacturing and processing plants produce carbon black, cottonseed products, clothing, oil products, ceramics, gypsum products, clay tile and brick.

For the year 1954, the company had total operating revenues of $16,421,064 and net income of $3,073,651.

Affiliated to Vote For Avery

H. I. Prankard, 2nd, President of Affiliated Fund, Inc. and with American Business Shares, Inc., assets of $350,000,000, and with 150,000 shareholders, issued the following statement:

"A number of our shareholders and many investment dealers have inquired as to the position to be taken by our investment companies at the annual meeting of Montgomery Ward & Co., on April 22.

"Ninety thousand shares of common stock of Montgomery Ward & Co. owned by Affiliated Fund, Inc., and 15,000 shares owned by American Business Shares, Inc., will be voted for the reelection of present directors.

"As we stated on Aug. 26 following Mr. Louis E. Wolfson's first visit to our offices, we are interested in any proposal by a stockholder designed to improve the management of Montgomery Ward & Co. Therefore, Mr. Wolfson's proposals have had our careful study. We have discussed these proposals with him in some detail.

"We have also given careful consideration to the company's position and prospects, in connection with which we have had conferences with the company's officers and some of the directors who are not officers.

"We have reached the conclusion that it will be to the best interests of the stockholders of our investment companies if the present directors of Montgomery Ward & Co. are continued in office at this time. Our decision is not intended to reflect in any way upon Mr. Wolfson or his committee."

Bernhard for Wolfson

"The Value Line," an investment survey of Arnold Bernhard & Co., Inc., New York, told Montgomery Ward & Co. stockholders that their best interest in a current control contest would be served by voting for Louis E. Wolfson.

The April 4 issue of the publication reviews financial and operating details of the big Chicago merchandising firm, estimates the potential benefits from the Wolfson program and resolves the issues into two "key speculations":

(1) Is Mr. Wolfson not a fit manager for Montgomery Ward?

(2) Does a serious business depession impend?

The "Value Line" article contends that if any stockholder "thinks as we do, that nothing has been disclosed that would impugn Mr. Wolfson or his motives — indeed, that much has been revealed to indicate that he is highly qualified—and if he thinks, as we do, that no depression of serious magnitude and lasting duration is close at hand, then it would appear that his best interests would be served by voting for Mr. Wolfson, whose positive program offers the stockholder a reasonable expectancy of larger dividends and a stronger company."

Survey Reveals Funds as Buyers In Market Break

Investment companies, fearful the March market break during the Senate Banking and Currency Committee's hearings, might be attributed to excessive portfolio sales, report that they were substantial buyers on balance.

A special survey was conducted by the National Association of Investment Companies to determine portfolio activities of member companies and sales and redemptions of mutual fund shares by investors during the period March 4 through March 14.

During this period, which coincided with the Senate Banking and Currency Committee's hearings on the stock market in Washington, stock prices, as measured by the Dow-Jones Industrial Average, declined 6.75%. The average was 419.68 at the close on Friday, March 4, and was 391.36 at the close on Monday, March 14.

Based upon data supplied by 25 member companies, representing 60.8% of the 1954 year-end assets of mutual fund members, the Association reports that purchases of investment company shares by investors exceeded redemptions and that, on balance, purchases of securities for portfolios substantially exceeded sales from portfolios.

Specifically, the survey shows that for the 25 companies dollar purchases of mutual funds by investors during the period under study amounted to $11,812,948, compared with dollar redemptions by investors of $9,351,747. Purchases of securities by mutual funds for portfolios during the period totaled $20,716,183, while sales of securities from portfolios amounted to $15,082,215.

LOOMIS-SAYLES Mutual Fund has announced that as of March 31, 1955, its assets were $43,922,512; shares outstanding were 1,021,114; and shareholders were 7,130.

As of March 31 a year ago, the Fund had $34,913,713 in net assets; 902,743 shares outstanding; and 6,300 shareholders.

Directors declared a dividend of 30 cents per share payable April 15 to stock of record April 4.

Mutual Funds

By ROBERT R. RICH

CALIFORNIA LED the nation in sales of mutual fund shares during 1954, followed by New York, Pennsylvania, Illinois and Massachusetts, in that order, according to a special regional sales survey.

The survey is based upon sales figures supplied by 93 companies in the mutual funds industry. Their sales total $921,541,000.

Residents of California, the survey shows, invested $158,084,000 in mutual funds last year, accounting for nearly 17.2% of total national sales.

New Yorkers were second with purchases of $125,164,000, or 13.6% of the national total, followed by Pennsylvania with $59,649,000, or 6.5%; Illinois with $50,791,000, or 5.5%; and Massachusets with $44,888,000, or 4.9%.

Rounding out the top ten states in dollar volume sales were Missouri with $42,491,000, Ohio with $34,114,000, Michigan with $31,968,000, Minnesota with $30,535,000 and Florida with $30,321,000.

Dollar volume figures alone, however, do not give the full picture of 1954's mutual fund sales, the National Association of Investment Companies notes. For example, when computed on the basis of per capital sales, California, the leader in dollar sales, moves to second place with per capita sales of $12.97 and the District of Columbia is in first place with total sales of $11,035,000, equivalent to $13.12 per person. Based upon 1953 Census Bureau populations, other leading states in per capita sales last year were: Missouri, $10.37; Minnesota, $10; South Dakota, $9.89; Oregon, $9.65; Montana, $9.36; Massachusetts, $9.16; Florida, $9.04; and in tenth place, New York with sales of $8.22 per capita.

Pennsylvania, which was third in dollar sales, dropped to 20th place on a per capita basis. Likewise, Illinois fell from fourth position to 19th, Ohio from 7th to 30th, and Michigan from 8th to 25th.

The survey discloses an even wider distribution, with every district in the United States represented, when 1954 sales are adjusted to reflect the purchasing power of the individual states. On this basis, residents of South Dakota were the biggest purchasers of mutual funds in 1954 with $7.26 out of each $1,000 of income going for that purpose. Other leaders included Florida, $6.61; Minnesota, $6.46; California, $6.36; Missouri, $6.28; Vermont, $5.83; Oregon, $5.60; Montana, $5.54; Kansas, $5.19; and Massachusetts, $5.05.

Only five states among the ten dollar volume leaders were among the top ten in sales based on purchasing power. Those not included, and their position in relation to 1954 sales per $1,000 of income, were New York, 18th; Pennsylvania, 23rd; Illinois, 27th; Ohio, 36th; and Michigan, 30th.

AT THE ANNUAL meeting of Wisconsin Investment Company held in Milwaukee on April 4, shareholders voted to change the name to Wisconsin Fund, Inc., which the management believes is more appropriate as it is more descriptive of the purposes and objectives of the company. Wisconsin Fund is one of the oldest mutual funds, tracing its origin back to 1924.

Three directors were re-elected, Harold A. Franke, Joseph T. Johnson and Kenneth H. Read. Mr. Franke has been a Director and Secretary-Treasurer of the company since July 31, 1952. He is Executive Vice-President, Secretary and a Director of The Milwaukee Company and Secretary-Treasurer and a Director of Edgar, Ricker & Co.

Harold W. Story, President, reported that net assets as of March 31 totaled $8,628,500 compared with $7,930,300 at the 1954 year-end. Number of shareholders and shares outstanding were 4,624 and 1,598,057 respectively as compared with 4,355 and 1,527,771 as of Dec. 31, 1954.

STOCKHOLDERS of Selected American Shares, at the annual meeting on April 4, voted to split the stock 2-for-1, and to reclassify the shares into $1.25 par value instead of the former $2.50. The split becomes effective at the close of business April 5.

Edward P. Rubin, President, reports that the stock split and other measures proposed at the annual meeting, were approved by holders of more than 71% of the outstanding shares.

At March 31 the fund's total assets were $40,737,569, equal to $17.12 a share, compared with $29,655,249 or $14.06 a share on March 31, 1954.

WALL STREET Investing Corporation reports for the quarter ended March 31, 1955, total net assets of $6,092,856 or $19.60 per share compared with $5,808,083 or $18.52 per share as of Dec. 31, 1954.

CLOSED-END NEWS

LEHMAN CORP.

Net asset value of The Lehman Corporation for the nine months ended March 31, 1955 was $217,559,967, equal to $47.04 per share on 4,626,856 shares of capital stock, Robert Lehman, President, and Monroe C. Gutman, Chairman of the Executive Committee, reported yesterday in the Interim Report to Stockholders. This compares with $190,329,780, or $45.25 per share on 4,206,233 shares at the beginning of the quarter.

During the three months' period, the corporation purchased stocks, other than U. S. Government obligations, at a cost of $10,962,474, and received $1,320,496 from securities sold and $1,540,000 as a liquidating dividend on its holding of 22,000 shares of American Republics Corporation. The corporation also received net proceeds of $18,105,054 from the sale of additional shares of its capital stock offered to stockholders on the basis of one additional share for each ten shares held, at $43.25.

Common stocks had a valuation of $192,257,926, or 88% of net assets, as against $175,138,206, or 91.7% three months earlier.

New additions to the portfolio during the quarter were 10,000 shares Kaiser Aluminum & Chemical Corp.; 2,000 shares International Business Machines Corp.; 8,000 shares Allied Chemical & Dye Corp.; 20,000 shares Schering

Corp.; 250 shares The Travelers Insurance Co.; 5,000 shares Massey-Harris-Ferguson Ltd. 4½% convertible preferred; 3,800 shares Hercules Powder Co.; 1,800 shares U. S. Gypsum Co.; 25,000 shares Winn & Lovett Grocery Co.; and 1,500 shares Aetna Life Insurance Co.

Chief increases were 10,000 shares Union Carbide & Carbon Corp., increasing this holding to 20,000 shares; 9,800 shares Florida Power & Light Co., increasing this holding to 25,000 shares; 15,600 shares Mission Development Co., increasing this holding to 30,000 shares; 20,000 shares The Columbia Gas System, Inc., which, with the exchange of $600,000 3½s of 1964 for 45,000 shares of common, bring this holding to 65,000 shares; 5,716 shares of American National Gas Co., increasing this holding to 30,000 shares; 3,000 shares Aluminium Ltd., increasing this holding to 10,000 shares; 700 shares Lincoln National Life Insurance Co., increasing this holding to 1,200 shares.

Among the sales were 10,200 shares Barber Oil Corp., leaving 31,000 shares in the portfolio; 3,300 shares Mid-Continent Petroleum Corp., leaving 5,700 shares in the portfolio; 5,000 shares Chas. Pfizer & Co., Inc., leaving 25,000 shares in the portfolio.

Fund Forecasts Business Pause

A. Moyer Kulp, Vice-President and executive director of Wellington Fund's investment committee, said that the extent of the business improvement already attained suggests there may be a pause or some settling back around the third quarter.

Mr. Kulp described such a movement as a "typical fluctuation in a gradual upward trend." His observations were made in a commentary on the business outlook.

Mr. Kulp summed up business activity this way: "The vigor of the business recovery has exceeded original expectations of a gradual and moderate pick-up throughout 1954, which was a rather standard expectation at the year-end.

"The expected 1955 improvement has already been attained in the current automobile and steel production and housing starts. Automobile production is running at a rate which suggests about a 6-million-car year, as compared with original estimates of 5.3 to 5.8 million cars. The steel operations have risen to around 90% of capacity, compared with 85% a month ago, 77.5% at the year-end, and the low of 60% last summer. The Federal Reserve Board's index of industrial production (seasonally adjusted) is now around 131 and compares with a low of 123 last summer. Business improvement has been spread well throughout the economy and employment is at high levels."

Mr. Kulp pointed out that as a result of the vigor of this business recovery unemployment had not risen the way some people had feared might be the case during the past winter.

"Consequently," he said, "spendable income has risen to a new high point. This," he continued, "has favorable implications for retail trade and services of all types and is reflected in the higher than expected automobile, radio-TV sales and other consumer goods."

Two With Reynolds Co.

(Special to The Financial Chronicle)

CHICAGO, Ill.—Ronald H. Miller and Joseph P. Sylvester are now associated with Reynolds & Co., 39 South La Salle Street. Mr. Sylvester was formerly with Merrill Lynch, Pierce, Fenner & Beane and Rodman & Linn.

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Recommended Changes in Bank Holding Company Legislation

ing mutual savings banks from the divestment requirements.

In order to cover unforeseeable emergency situations, it might be desirable to give the administering agency a limited authority to exempt from the divestment requirements any bank holding company if the administering agency determines that the company's control of a bank is necessary in order to provide needed banking facilities or to assure the sound financial condition of the bank involved, subject to revocation of the exemption when the need disappears.

Before leaving the matter of coverage, it should be noted that the provision of the pending bill defining the term "company" would include not only corporations and business trusts, but also any partnership and "any similar organized group of persons." The meaning of the phrase "organized group of persons" is not clear. In any even, however, the Board feels that such a broad definition goes beyond the necessities of the situation. By including partnerships and groups of individuals, the definition might be interpreted as being intended to cover chain banking, that is, control of banks by individuals or by testamentary or other personal trusts.

2. Limitations on Expansion of Bank Holding Companies

The second requisite feature of the legislation — restrictions on the expansion of bank holding company groups—would be dealt with in the pending bill by provisions requiring the Board's prior approval for any action which would result in a company becoming a bank holding company or for any acquisition of bank stocks by a bank holding company or its subsidiary or for the acquisition of substantially all of the assets of a bank by a holding company which is not a bank or by a nonbanking subsidiary.

We think that these provisions should be expanded to require prior approval before any bank holding company may merge or consolidate with another bank holding company. On the other hand, it would seem unnecessary to include any provision with respect to acquisitions of bank assets by a holding company or subsidiary which is not itself a bank.

In the interest of minimum control, we suggest that it would be sufficient to require prior approval for the acquisition of bank stocks only if, after the acquisition of the stock of a bank, the holding company will own a substantial percentage of the outstanding stock of that bank, say 5%. Such a modification of the requirements of the bill would permit properly diversified investments in bank stocks where control is not the motive.

Our principal comments, however, with respect to the expansion features of the bill relate to those provisions of section 5 which are apparently aimed at protecting the rights of the States in this field.

In the first place, the bill would make it impossible for a bank holding company to acquire any bank stocks if "any bank affected" is a State bank, unless the appropriate State banking authorities also approve the application within 30 days. Similarly, if "any bank affected" is a national bank, the application could not be approved unless also approved by the Comptroller of the Currency. These provisions would have the effect of diffusing responsibility for administration of the legislation. They would involve duplication of effort and give rise to administrative difficulties. We think it would be desirable to require the administering agency to give due regard to the views of the State authorities and the Comptroller of the Currency but that the final responsibility for approving or disapproving any application should rest with the administering agency alone.

The bill would further prohibit a bank holding company or any of its subsidiaries from acquiring the stock of a bank or substantially all the assets of a bank outside of the State in which the holding company or the subsidiary involved has its principal office or conducts its principal operations. In addition, a bank holding company or any of its subsidiaries would be prohibited from acquiring bank stocks or assets in any State except within the geographical limitations applicable to the establishment of branches under the laws of such State, or unless the acquisition is specifically and affirmatively authorized by State statute.

These severe provisions would in effect "freeze" the existing status of most bank holding companies and would go beyond what we conceive to be the necessities of the situation.

As the Board has previously indicated, it believes that regulation of bank holding company groups should not be related to the branch banking laws of the States and that the States should be left free to deal differently, if they desire, with these two types of multiple-office banking. The pending bill includes a new provision which would permit expansion of bank holding companies in non-branch States if such expansion is affirmatively authorized by the statutes of the State in question. However, there are, of course, no States which have affirmative legislation of this kind.

This new provision of the bill follows almost literally a provision of the national banking laws which permits a national bank to establish out-of-town branches only if affirmatively authorized by State law with respect to State banks. However, before the enactment of that provision national banks had no authority at all for the establishment of branches. The situation is quite different with respect to bank holding companies whose existence has been legislatively recognized for many years. We feel, therefore, that it is inappropriate to apply to bank holding companies exactly the same principles which were applied to branches of national banks. If any analogous provision is necessary here, it should make the expansion of bank holding companies dependent, not upon affirmative authorization by the States, but upon the absence of express prohibition by the States.

In our judgment the rights of the States in this field can be effectively protected by provisions which would require the administering agency to obtain and consider the views of the State authorities before passing upon any application for the acquisition by a bank holding company of control of additional banks. In any event, we think that provisions for this purpose should not go further than a prohibition against the acquisition of the stock of any State or national bank in any State in which the statutes of such State would prohibit such acquisition in the case of a State bank.

3. Divestment of Nonbanking Interests

In order to meet the third requisite of the legislation, the bill would require bank holding companies within two years to divest themselves of any shares or other securities or obligations of any company other than a bank and to cease engaging in any business other than that of banking.

To the extent that this requirement relates to obligations, as distinguished from shares of stock, of nonbanking enterprises, we believe that it goes further than necessary. Single control of both a bank and nonbanking business is usually made possible by control of stock rather than by ownership of obligations.

The bill would provide a number of specific exemptions from the divestment requirements. While some such specific exemptions may be appropriate, they should be kept to a minimum and be explicit. It may be desirable, for example, to exempt shares of a company engaged solely in holding or operating properties used by a subsidiary bank or engaged solely in conducting a safe deposit business. Also, it may be appropriate to include the exemption provided in paragraph (6) of section 6(c) of the bill with respect to the ownership of not more than 5% of the outstanding voting securities of a nonbanking company. It is questionable, however, whether some of the exemptions provided are necessary or desirable. For example, exception (5) on page 9 of the bill would seem to permit a bank holding company which is itself a bank to own any shares of nonbanking companies which it would be permitted to own under State law. We see no logical reason for such an exemption. In fact, this exemption might operate to defeat the purposes of the legislation in some situations.

In any event, as against numerous specific exemptions, it would seem preferable to vest the administering agency with a limited authority to exempt ownership of shares of companies which are determined to be closely related to the business of banking or of managing or controlling banks. Such a provision should, we believe, be coupled with the new provisions which I have already proposed for the exemption of certain bank holding companies from the divestment requirements in a very limited class of cases.

4. Administration

The administrative provisions of the bill are contained in sections 4, 9, and 10, which relate, respectively, to registration, reports and examinations of bank holding companies, hearings, and judicial review of administrative action, and criminal penalties for violations of the Act.

Our only comment on these provisions relates to section 9 which would give to any person in any way affected by the Board's action or omission to act under the bill a right to judicial review, with a trial of the facts *de novo* by the reviewing court. It is questionable whether any specific provisions for judicial review are necessary, since, even without such provisions, any arbitrary, capricious, or unlawful action on the part of the administering agency would be, and should be, subject to review by the courts. However, if any provisions on this subject are included in the bill, we feel that a provision for trial of the facts *de novo* would be at variance with the spirit and intent of the Administrative Procedure Act which exempts from judicial review any action committed to agency discretion. We also think that, instead of the vague provision for review at the instance of any person "affected," the right to review should be limited to the principals in the proceedings involved.

Other Provisions of the Bill

Certain provisions of the pending bill have no direct connection with the two main objectives of the legislation.

Under section 7 of the bill, subsidiary banks would be absolutely prohibited from making loans to, or investing in the stock or securities of, their bank holding company or any other subsidiary of the bank holding company. We feel that these provisions are unnecessarily restrictive. Moreover, if any provisions on this subject are deemed to be necessary, we believe that they should be enacted in the form of amendments to section 23A of the Federal Reserve Act, which now places certain limitations upon loans by member banks to their holding company affiliates or other affiliates. As to nonmember banks, the States should be left free to determine what restrictions they may wish to impose upon loans by State banks to their affiliated organizations.

Section 11 of the bill would make a number of technical amendments to provisions of existing law. Insofar as these provisions would amend the Internal Revenue Code to afford appropriate tax relief to bank holding companies complying with the divestment requirements of the bill, we think that they are desirable, although we do not feel specially qualified to comment on their adequacy. However, the amendments proposed to be made to existing provisions of law relating to holding company affiliates of member banks have no apparent relation to the principal objectives of the bill. The existing provisions are aimed primarily at maintaining the soundness of member banks in holding company groups. It may be that in some respects they should eventually be modified, but there appears to be no reason why they should not be continued in force for the present.

Conclusion

These comments on the pending bill have been made for the purpose of helping, as far as we can, in the working out of reasonable and effective legislation on this subject. By way of summary, we think that the principal objectives of the legislation could be accomplished by a bill which, in addition to certain administrative provisions, would include only—

(1) a definition of "bank holding company" as a company controlling a majority of the stock of any one bank, with no exceptions;

(2) a requirement that every bank holding company obtain prior approval before acquiring the stock of any bank if thereafter its holdings of the stock of that bank will exceed 5%, with provision for obtaining the views of State and Federal authorities; and

(3) a requirement that bank holding companies divest themselves of their nonbanking interests, with a minimum of specific exemptions, but with administrative authority to make the limited exemptions which I have mentioned.

With Central Republic

(Special to The Financial Chronicle)

CHICAGO, Ill.—James C. Rathslag is with Central Republic Company, 209 South La Salle Street, members of the Midwest Stock Exchange.

Kneeland Adds to Staff

(Special to The Financial Chronicle)

CHICAGO, Ill.—C. J. Geisler has been added to the staff of Kneeland & Co., Board of Trade Building, members of the Midwest Stock Exchange.

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We Must Have the Guaranteed Annual Wage!

a place where the struggle is not a matter of dividing scarcity.

A New Revolutionary Force

We now have the opportunity and the new revolutionary force in the world which makes the communists a r c h reactionaries. That is the revolutionary power of economic abundance. We now have the opportunity of working together with free people everywhere in creating and sharing economic abundance. Nobody has to go hungry so that the other fellow can have enough to eat. Nobody needs to be denied this measure of economic and social justice in order for others to have their share. Everybody can have his share providing we harness the power of this new economic and social revolution, and that is what we are trying to do in America.

We're trying to help men to understand that if we gear our future to economic abundance, then we can begin to solve these basic problems and we can give the free world a margin of superiority which the communists will never match. In no way else can we win this struggle. That's the only basis upon which there is any remote possibility that we can avoid war.

You can go out to the Ford plant where they can make an engine block in 14.6 minutes without a human hand touching it. Five years from now that plant will be obsolete. On the drawing boards they have new machinery that will make the stuff today look like museum pieces. They have got two fellows in the fabricating plant on a press feeding in the steel, and it comes out at the end of the press line without a single operator between the first press and the last press.

The television industry is manufacturing television sets by automation without a single human hand touching that television set. The big insurance companies are beginning to automate their offices. General Electric has now a machine which is going to keep the inventories for that great company.

I was told the other day that they have a machine now that can reproduce the music of a symphony orchestra, and they even have a machine that can capture the tone qualities from a recording of Caruso who died twenty some years ago, and they can wind up with that machine having Caruso's voice singing a song written 20 years after he died.

This is the world in which we live. Machinery is taking tremendous steps forward in terms of c r e a t i n g greater and greater abundance with less and less manpower required.

Now, what are we going to do with this industrial revolution? If we gear it to the needs of the people, if we use this power with a sense of social responsibility, we can build a great new world, we can abolish poverty and hunger. Unless we use it sensibly and sanely in the interest of all of the people, then these machines instead of building a better world can dig our economic graves.

That's why we say that our demands are basic, that they reflect the needs of our people, that they reflect the needs of all the people, because our demands are geared to find a way to reflect this great technical progress in terms of human progress and human happiness and human dignity.

Now, where is this job going to be done if we don't do it at the bargaining table, pray tell me where will it be done? If we don't make a start in the industries where the automation progress has gone forward at the fastest speed of acceleration, then where should it start?

Start With General Motors And Ford

I say to the strongest union in the richest industry, the place to make this start is in the General Motors and Ford Motor Company in 1955.

What we say is don't cry about labor pensions and their costs. Gear the American economy to this abundance and then we can all make progress together. That is what we are trying to do.

The other day "Fortune" magazine (they can afford to tell the truth because not very many people can afford to buy a copy of it and read it) had a story, "What Caused the Great Depression?" This is not a CIO propaganda organ. We don't own "Fortune" magazine. But they analyze the basic causes of the depression in 1929 and the dark years that followed.

What do they say? They said that in the early '20s, the economic depression was born during a period when the people that had too little got less and less, and the people who had too much got more and more. Now, the same thing is happening again. If you take the fourth quarter of 1953 and take the fourth quarter of 1954, and make a comparison between two quarters 12 months apart, then you will see that the same things that "Fortune" magazine said happened that gave birth to the depression are happening today. Production in that period went down one and one-half billion dollars. Factory jobs dropped one million. Wages came down one and a half billion. Farm income, the income of millions of farm families, came down one and a third billion. The income of the little people came down in that period.

What happened to the income of the great corporations? What happened to the income of those people who already had more than they need? Well, profits went up three and a half billion dollars, or 24½% in that period.

Now, let's get out of the generalities and up closer to home. What happened to GM in comparing 1954 with 1953? What happened to wages? General Motors said 1954 was a prosperous year for GM workers. They have been telling us everything is wonderful; we're almost on the high road to Utopia. Yet what happened? Wages of GM workers in 1954 compared to 1953 came down 5½%. But what happened to GM profits? GM profits went up 34.8% between those two years.

When we go to the bargaining table, management says, don't you ever get tired of asking for more and more and more? The answer is, as long as science and technology, through the creation of abundance, makes more not only enomically just, but makes more and more economically necessary, the answer is yes, we are going in year after year and ask for more and more and more because we are entitled to more and more.

It is a strange thing, you know, that they ask us that question, but they never look themselves in the mirror and ask themselves the same question.

Take General Motors — if we went to the bargaining table with a simple demand, if we brushed aside the guaranteed wage, if we brushed aside our demand for higher pensions and medical care and all the other things, and we said we have got a simple demand, we want an increase in wages of 34.8%, but we want a reduction in all the work standards, what do you think they would tell us? They would say you fellows are unreasonable, impractical, you're endangering the very economic foundation of our free enterprise system. But that's precisely what they did. In 1954 General Motors production was down 2% below 1953, but their profits were up 34.8%. They got 34.8% m o r e profit for 2% less production.

Now, this is not only General Motors. Take Ex-Cello Local 49. We will be knocking at that door pretty soon. What happened to Ex-Cello, a little machine tool plant in Detroit? Their production came down 9%, but their profits went up 47%.

Take the Bendix Corporation. There are a number of local unions from Bendix at this convention. Their production went down 4.8%, but their profits went up 47.2%.

So when we go there we don't have to go there believing that we are unreasonable. If we were as unreasonable as they are, they could accuse us of being unreasonable.

People say, yes, General Motors made $1,645,000,000 in profits last year. Just think, $1,645,000,000. That's so much money that we can't comprehend it.

How much did they make for every dollar they paid in wages? For every dollar General Motors paid GM workers in wages, they made 94 cents profit.

We said to the newspapermen yesterday, you know, when you go into a hospital and you are going to be operated on, the doctors carefully prepare you for the operation, put you on a low-calorie diet. That's to reduce the layer of fat around your vital organs so that the operation can be performed most successfully. And that's good medical practice. But when we sit down at the bargaining table with General Motors and with Ford and these other great corporations, we reverse that medical practice. We say that the heavier the layers of fat, the more successful the operation is going to be. Here is the place where we have got the greatest opportunity to demonstrate the soundness of that economic formula.

Now, they say to us, OK, General Motors is wealthy, Ford is wealthy. What a b o u t the little companies? And since when are the big companies so concerned about the future of the little companies? Well, what about their future?

Last year bankruptcies of small companies increased 34%. This is this new Republican boom that we're having. They increased 34%. We say to small business in America in the auto industry, in other industry in which we bargain, we say to small business generally, your future is inseparably tied with the struggle for full employment and full production. Unless we achieve full production and full employment, there isn't a chance in the world of small business surviving in the struggle to divide up economic scarcity.

We haven't the guaranteed annual wage, yet the small industries in our industry are in trouble. They are in trouble not because we make too many things; they are in trouble precisely because union members and millions of American families haven't enough purchasing power to buy the things we know how to make.

1955 Negotiations Most Historic

Our 1955 negotiations are the most historic in the history of our union because they are geared to this basic question, because we are determined to find answers to these problems.

We will not go to the bargaining table just as a routine matter of another bargaining session. We are going there knowing that this is a crusade—a crusade to gear economic abundance to human needs. We plan to take management up on the mountains and we would like to give them a little bit of the vision that we have. We would like to show them that great new world that can be built if free labor and free management and free government and free people can cooperate together in harnessing the powers of America and gearing that power to the basic needs of people.

We hope that management will watch us on the mountain peak. We hope that they will grasp that vision which is essential to the leadership in this great world crisis. There is no limit to the great progress that we can make, because human progress is as unlimited as the creative genius of the free human spirit.

We are on the threshold of revolutionary technological development with the use of atomic power, with automation, and all the other things that can solve all the basic problems, provided we have the good sense to use this power.

I guess I can say this not boastfully but in all good conscience—no organization in America has worked more consistently, more courageously, more constructively in the practical fight for full employment and full production in peacetime than our Union.

The guaranteed annual wage is an important move in achieving full production and full employment in peacetime.

I mentioned that our old-timers need greater security; that is a part of that job; better medical care; higher purchasing power. All of these things are geared to the basic question: How can we as a free people achieve full employment and full production in peacetime making the good things of life?

We don't say, we never have said—all the reactionary propagandists notwithstanding — we have never claimed that a worker in the United States or a worker in Canada, is automatically entitled to economic security. We have no sympathy for a fellow who can get a job and doesn't want to work.

What we say is that while the worker is not entitled to automatic economic security, what he is entitled to is an opportunity for a good job at decent wages to earn that economic security.

Essential Conditions of Union Demands

When we fight for the guaranteed wage, we are not trying to be paid for not working. We just don't want our people to be penalized when they haven't got a job through no fault of their own.

We have tried to formulate our economic demands in the light of three essential conditions:

First, we say our demands must be economically sound. They can't be based upon wishful thinking. They have to be based upon solid and sound economic facts.

Second, we have said they have got to be morally right. You have got to be fighting for righteousness and justice.

Third, we said they can't be selfish demands that make progress for us at the expense of our neighbor. They have to be socially responsible. They have to reflect the basic needs of all people.

Our demands in 1955 meet those conditions. They meet those conditions on the basis of a careful and objective study. No one can deny the fact that economically we are in trouble in America. Nobody can deny the fact that economically Canada is in trouble. Because there is unemployment in those countries. In the United States we still have the equivalent of five million unemployed. In Canada their unemployment is even higher based upon the working force.

The other day even the Chamber of Commerce had to admit that and I read the headline in the Washington "Post." It says, "Increasing National Production but Also Unemployment Is Forecast by the U. S. Chamber of Commerce."

Now, why the unemployment? We all know. We have said it many times. Everyone ought to understand it. We are in trouble in the United States; Canada is in trouble, because of the growing and serious imbalance between our ability to create wealth with our tremendous productive power and the inability of millions of families to consume that abundance because they lack adequate purchasing power.

Last year, in the United States, if we had utilized our economic resources and our manpower resources we could have produced $40 billion more wealth.

Forty billion dollars means that every American family from Mr. Curtice of General Motors to the lowest paid sharecropper, every family could have had $850 more income.

In 1955 if you take the most optimistic projection of the little men of big business of the Republican Administration, if you take the most optimistic projection we will underproduce $50 billion in 1955 compared to what we could do if we used our economy fully.

What does that mean? It means that every American family could have a thousand dollars more income. When you lay that economic loss next to the cost of the guaranteed wage and higher pensions and medical care—the cost of these things are insignificant compared to the cost of the economic losses.

I don't know why the management groups in these small companies go along with the Republican program. I can understand why General Motors thinks the Republican Administration is doing a good job. When you make $1,645 million, you can't complain about that. You are doing OK.

I will be doggoned if I can figure out why these little companies, who are fighting for their survival, are afraid to stand up and fight for the kind of tax policies, the kind of broad economic programs that will give them a chance to survive. What did Studebaker get out of the last tax bill? General Motors got $219,000,000 in tax reduction. If Studebaker, Nash and the small companies had made an effort to try to get sensible and sane economic policies, tax programs, if they had supported our efforts to raise personal exemptions from $600 to $800, we would have four and a half billion dollars of high velocity purchasing power and that money in the hands of millions of American families would have created a bigger market. Studebaker and Nash and Hudson and these other companies would have had a better chance of selling their products.

Frankly, I get discouraged sometimes when the management of some of these companies say, "Come to the bargaining table and help us meet our problem."

We will help them to meet their problem, but it is time they get realistic about the facts of life and forget their fight on the other front for the answers to some of these problems in America.

Guaranteed Wage No Cure-All

Now, when we talk about the guaranteed annual wage we don't claim it is a cure-all. We don't say it is a panacea. We do say that it is one of the basic economic tools that free people need to use to bring about this dynamic balance between greater productive power and greater purchasing power. Nothing b r e e d s unemployment like unemployment.

What happens in Michigan when the factory workers of Michigan alone in one year because of unemployment l o s t $640,000,000?

What does that do? It means that workers can't buy $640,000,000 worth of goods and services. The workers who otherwise would supply and produce those goods and services don't have jobs, and then they lose thair purchasing power. This begins to spread and radiate further and further in our economy until we get into trouble.

But if we had a guaranteed annual wage the workers in Michigan who have been laid off would not have lost $640 million in wages. Their income and their purchasing power would have been sustained, and therefore that negative impact on the economy would not have occurred. That is why we say that the guaranteed annual wage is not only a matter of economic justice to the worker, it is a matter of economic necessity to our whole economy in the effort to achieve full production and full employment making the good things of life for people in peacetime.

Why can't we have full employment in peacetime? We ask a simple question and we demand an answer to this question. If we can have full employment in war why can't we have full employment in peace making the good things of life? We can. We have the know-how; we have the resources and we have the manpower. All we need to demonstrate is that we've got the courage and the will. That is precisely the element that we intend to supply in increasing measure at the bargaining table in 1955.

Now, they say to us, "Is the guaranteed annual wage morally right?" I say that no demand in the history of collective bargaining has ever been more morally right than the guaranteed annual wage. Just look at industry. They meet the cost of every element of production by the year. They pay their taxes by the year. They pay the interest on their loans by the year. They pay their executives by the year. If they rent a building they pay the rent by the year. If they have got six months production they don't call the landlord and say, "Well, we just shut the plant down, we won't pay the rent for the rest of the year." They pay the rent 12 months every year. The only element of production that gets paid by the hour or by the piece and not by the year is the human equation—the most important equation in production.

Now, we say if it is morally right to meet the cost of modern industry, pay your taxes by the year and your interest on these investments by the year, your executive salaries by the year, then we say it is morally right to pay the workers by the year, and in 1955 we intend to make it possible in our industry.

Where did this idea of paying workers by the piece or by the hour come from? Is this a sacred cow? It came out of the early industrial revolution, and on the basis of the needs of our complex mass production economy it is no longer adequate to meet our basic needs. That is why we need to change it.

Now, we are going to the bargaining table and we are going there hoping and praying that our demands will be analyzed and the answers will be forthcoming on the basis of reason, justice, fairness and simply equity in terms of the economic factors involved in our collective bargaining program. We hope the answers will flow from the economic facts. We hope it will not be necessary to use economic power.

Says Management Has Double Standards

But we know that all the wishful thinking in the world will not change the sad record of collective bargaining. We know that time and again when labor went to the bargaining table with just demands, with fairness and equity and morality on their side, they were faced by calloused indifference on the part of management. Management had a double set of economic and moral standards. They had that on the pension fight and we had to use our power.

We hope that that will not be the case. But this convention has to prepare for that possibility, just as the free world must be strong in a military way to meet the threat of communist aggression wherever it may raise its ugly head. We don't do that because we are threatening war. We do that because the free world knows that it must negotiate from strength.

When we take steps to raise a defense fund of $25 million, we aren't preparing for a strike, we are just preparing to defend ourselves if we are forced into a strike. We are preparing to negotiate from strength just as the free world prepares to negotiate from strength.

Now, we don't begrudge one penny that these corporation executives are paid. We know that when corporation management makes a contribution to the economic well-being of the country and to the economic progress of our country, they are entitled to a just reward for their economic contribution. But we say that when workers make their contribution they too are entitled to just compensation for their contribution.

The Question of "Incentives"

Now, we are going to hear a lot about incentives, how the free enterprise system goes forward because management has these great incentives to make millions of dollars. We believe in free enterprise. We believe in individual incentives, but what we can't understand is the fact that management has a one-way street on this idea of economic individual incentives. We don't understand what kind of mental and moral gymnastics they go through when they say that if you are a corporation executive and you are making $400,000 a year and you have got the drive and the incentive to get $500,000 that that is economically sound and morally right. But if you happen to be a wage earner and you are only getting $4,000 a year and you want $5,000 a year that is economically and morally wrong.

I say it is more economically sound, it is more nearly morally right for a worker making $4,000 to get $5,000 than for a corporation executive getting $400,000 to get $500,000.

That is the thing we are trying to do.

I say that we can look management in the face, and that we can face any person in our two great countries on the moral issues of our guaranteed annual wage demand.

Take Mr. Curtice, the President of the General Motors Corporation. He probably is a very efficient executive. No one begrudges him a penny he gets. But in 1954 the General Motors Corporation paid him very well. We don't object to that. What we object to is Mr. Curtice denying our right, the GM workers' right, to be paid well.

Mr. Curtice got $686,000 in salary and in bonuses.

We analyzed his salary on an hourly basis so we could understand it. Based upon 52 weeks a year, 40 hours a week, Mr. Curtice got $329 an hour. It would have taken the average GM worker 150 years to earn what Mr. Curtice got in one year.

And when you look at the Chairman of the Board of Directors of the General Motors Corporation, Mr. Sloan—now he had a very modest salary. He is sort of on a semi-retired basis. He got a measly $48,600 in salary. But don't worry about how he met his family needs, because he got four and a half million dollars on General Motors' stock which he owns. So that his hourly rate, if you take his stock income and his salary together based upon 40 hours a week, 52 weeks in a year, Mr. Sloan had an hourly income of $2,178 per hour.

Now I maintain no one will argue that each General Motors worker ought to get as much as Mr. Curtice. No one will argue that a GM worker, even in the skilled trades classification, ought to get as much as Mr. Sloan.

But on the basis of the standards of human decency and human morality no one can say that any man is worth 150 times another man working for the same company. No one is that much better than the other fellow. And no one needs that much more.

When they gave 60 General Motors executives last year in salary and bonuses $12,600,000, do you think that when those executives got that money, they bought one more quart of milk? Do you think that they bought one more pair of shoes for their kids? Do you think they called the doctor one more time? Of course not.

But you give the GM workers the guaranteed annual wage, you give the retired GM workers higher pensions, you give all workers higher purchasing power and they buy more milk and shoes and clothing and call the doctor when they need him.

That is why the guaranteed annual wage and your economic program is more than a matter of justice to the worker. It is a matter of necessity for the whole economy.

Now, we can do all these things provided we gear the future of America and the future of Canada to the economics of abundance. We aren't trying to make a smaller and smaller economic pie. We're trying to find a way to make the biggest economic pie that science and technology and our resources make possible. And if we create that pie, then everybody can have more.

Basically what we are trying to do is to create the economic incentive so that management will be forced to make a plan for full production and full employment, so they will be forced by the very economic necessities to discharge their economic and social responsibilities in planning for full employment and full production in peacetime.

Now, some people say, well, you can't have full employment in peacetime. You can only have it when you are making the weapons of war and destruction, when the battlefields are grinding up and destroying economic wealth. We say that that point of view is wrong, that we can have full employment and full production in peacetime just as we have it in wartime. There's plenty of work around. There's plenty of work in America and in Canada to keep the workers of the United States and Canada fully employed for many years to come. When we get our basic economic needs satisfied and when we get the economic problems nailed down, the next demand has to be for a shorter work week so we'll have more time to enjoy the good things of life that we have.

Here is a model of a housing project that the UAW-CIO is building in Chicago. If we clear the slums in America, wipe out the slums, there is enough work to keep millions of people involved in providing decent housing. Take our school system. Oh, we talk about our children being our most priceless possession, and yet millions and millions of American children, all made in the image of God, are being denied their rightful educational opportunities. In 1960 we will need 600,000 classrooms. We need 800,000 hospital beds. There's the road program. There's the resource development program. There's enough work in America to keep us fully employed for many, many years to come.

"We Are Determined"

We are determined to find a way to gear our economic resources to full employment and full production satisfying these basic needs.

In 1955 at the bargaining table we are going to be in the forefront in that struggle.

Now, we not only need to build solidarity at the bargaining table—we need to build solidarity on the political front, because the little men of big business who control the administration of this country of ours have the distinct notion that you can balance the budget without balancing the economy. The only way you can balance the budget of the government is to balance the budget of every family. But they don't understand these things, because the economies of the companies are well in balance.

We have to work on the political front to make progress in terms of the overall needs of our country, and we need also to provide economic leadership. We have to begin in the field of civil rights, in the field of civil liberties, by beginning to practice what we preach.

We can't lead the free world, we can't inspire the people behind the Iron Curtain, we can't mobilize the spiritual powers of free people everywhere unless we stand before the world not only as the richest country in the world, not only as the country that has the greatest economic resources, but we need to demonstrate that we have the good sense to translate these resources into basic human and moral values. That's our task.

I am confident, I am more confident than I have ever been, that in 1955 we are on the right road. I am confident that this convention will pound out sound, constructive programs and policies which will give us the tools to work with so that we can go back home together from this convention, we can begin to mobilize the great power and loyalty and the devotion of our rank and file members and we can go to the bargaining table in 1955 with that power sitting there with us at the bargaining table. If we do that, I say that there is no power in the world that can stop the forward march of free men in common spiritual dedication to justice and morality and human decency. That's the cause in which we shall be enrolled.

I say let us work together in this convention. Let us build together in this convention. Let us go back home and work at the bargaining table together. If we work together and build together and march together, yes indeed, if we fight together, I say no power can stop us winning together in 1955.

Columbus Stk. & Bond Club Annual Outing

COLUMBUS, Ohio — The Columbus (Ohio) Stock and Bond Club will stage its annual outing Thursday, May 26, at the Brookside Country Club in Columbus. Guests are welcome at the affair, which will include golfing in the afternoon to be followed by dinner at the club.

Three With Daniel Weston

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Stanley A. Abbott, Lester W. Levin and George L. Sneed have become affiliated with Daniel D. Weston & Co., 140 South Beverly Drive.

Boren Adds to Staff

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Irving Liebowitz is now with Boren & Co., 186 North Canon Drive.

Hornblower & Weeks Group Underwrite Stock Offering

Eastern Stainless Steel Corp. is offering 96,755 shares of additional common stock to its stockholders at $21.50 per share in the ratio of one new share for each five shares held of record on April 5, 1955. The subscription warrants expire on April 20, 1955. Hornblower & Weeks and associates, who are underwriting the financing, are also offering to the public for the account of a selling stockholder, 30,000 shares of the company's common stock at $26 per share.

The selling stockholder, John M. Curley, Chairman and President of the company, has agreed to sell to the underwriters his rights to purchase 15,773 shares, under the offering to stockholders. Upon completion of his sale, Mr. Curley will continue to own 48,869 shares, or about 8.4% of the common stock to be outstanding after the financing. The underwriters have agreed to purchase any unsubscribed shares.

Eastern Stainless Steel Corp., one of the large domestic producers of stainless steel sheets and plates, will use part of the proceeds from sale of the 96,755 new shares to install another electric arc furnace, bringing total ingot capacity up to 50,000 tons per year. Balance will be used to retire $375,000 of bank loans and as working capital. The company reports that expansion of its business in recent years, together with the growth potential believed to be ahead, requires an enlarged capital expenditure program.

End uses for the company's varied output are found in such broadly diversified products as jet and other aircraft, guided missiles, Atomic Energy Commission installations, military equipment, electronic devices and other manufacturing lines. The company's plant is in Baltimore.

Pan American Sulphur Debentures Offered

Pan American Sulphur Co., the world's third largest producer of sulphur, is giving to stockholders of record April 6, 1955 rights to subscribe for $4,651,200 principal amount of 5% subordinated income debentures due April 1, 1967 (convertible until April 1, 1964) at the rate of $100 principal amount of debentures for each 40 shares of capital stock held. The debentures are priced at 100%. The subscription offer will expire April 20, 1955. The offering has been underwritten by Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co.

The company, organized in 1947 to explore and develop sulphur concessions in Mexico, owns through a subsidiary, Gulf Sulphur Co de Mexico, S. A., sulphur concessions located in the State of Veracruz, where late in 1954 it placed in production a new Frasch Process sulphur plant with a capacity of 3,300,000 gallons of hot water and costing approximately $6,200,000. The concessions, from the Mexican Government, contain, to the extent explored to date, an estimated 19,700,000 proven long tons of sulphur and in addition 7,940,000 probable long tons.

Net proceeds from the offering today will be used in the amount of $220,286 for the payment of interest on the debentures to April 1, 1956. The remaining proceeds will be added to working capital and applied, to the extent necessary, to operations during the period of development of the company's sales program.

The debentures are convertible into capital stock of the company at $25 a share until April 1, 1959 and at $30 per share thereafter until April 1, 1964.

Continued from page 5

The State of Trade and Industry

record, based on new car registrations, was reached in August of 1950 with 683,995 sales.

The past week domestic car output nudged the all-time record 178,068 set in the prior week as the industry geared to produce another near-peak 744,000 cars during April.

"Ward's" noted, however, that the new car inventory picture remains favorable despite the blistering factory production. Because of the high sales pace, new car stocks on March 31 remain an estimated 6% under the all-time high of 661,000 recorded on April 30, 1954, or below the normal 30 days' supply.

The statistical agency said that the 2,000,000th new car of 1955 will be retailed next Wednesday, April 6, at a point 39 selling days ahead of the same milestone in 1954.

Last week, "Ward's" said, total domestic vehicle output of 206,606 units edged above the all-time record of 205,459 reached in the preceding week, rising truck volume offsetting the dip in passenger car programming.

"Ward's" further noted that Chevrolet has returned to its No. 1 position in weekly truck as well as car manufacturing due to completion of its changeover to new truck models.

Steel Operations Set at Preliminary Figure of 94.3% Of Capacity This Week

Steel business is good, but sane buying is still good practice, says "Steel," the weekly magazine of metalworking the current week.

From the high rate of steel production and demand for light, flat-rolled forms of steel, you might get a distorted view of demand and supply. Analyze the demand, "Steel" states, and you'll find that it's centered in the light, flat-rolled products, principally cold-rolled carbon sheets. In January, for instance, 41.9% of mill shipments of finished steel were sheets and strip, compared with 34.5% in all of 1954.

Demand for cold-rolled sheets probably will get no stronger and may subside. The largest user of them—the automobile industry—is likely at its production peak. Its needs for the last half of this year should be less than for the first half. That should take some of the pressure off the light, flat-rolled products, particularly cold-rolled carbon sheets.

Some leveling off in sheet buying is already noted, this trade paper notes. This isn't the result of decreased consumption. It stems principally from extended bookings. Consumers and producers are reluctant to commit themselves any further ahead. But there should be less incentive to order for third-quarter delivery than there was in the first and second quarters. Not only should auto needs be less then, but so should those of many consumers who will be taking time out for summer vacations. Too, the beat-a-price-rise incentive will be lacking after the second quarter. If steelworkers wages increase and bring a steel price rise, it will come at the beginning of the third quarter, declares this trade magazine.

While there may be no further rise in demand for the light, flat-rolled goods, the heavier products, such as structurals and plate, will become tighter. They've already moved in that direction and Bethlehem Steel Corp. is tightening its acceptance of structural orders.

Significantly, this trade publication observes, the steel ingot production rate in the week ended April 3 quit climbing for the first time this year. It halted at 95% of capacity.

The American Iron and Steel Institute announced that the operating rate of steel companies having 96.1% of the steelmaking capacity of the entire industry will be at an average of 94.3% of capacity for the week beginning April 4, 1955, equivalent to 2,276,000 tons of ingots and steel for castings as compared with 94.4% (revised) and 2,278,000 tons a week ago.

The industry's ingot production rate for the weeks in 1955 is based on annual capacity of 125,828,310 tons as of Jan. 1, 1955.

For the like week a month ago the rate was 92.9% and production 2,241,000 tons. A year ago the actual weekly production was placed at 1,622,000 tons or 68.0%. The operating rate is not comparable because capacity was lower than capacity in 1955. The percentage figures for 1954 are based on annual capacity of 124,330,410 tons as of Jan. 1, 1954.

Electric Output Trended Lower in the Latest Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 2, 1955, was estimated at 9,804,000,000 kwh., according to the Edison Electric Institute.

This week's output declined 103,000,000 kwh. below that of the previous week, when the actual output stood at 9,907,000,000 kwh., and increased 1,341,000,000 kwh., or 15.8% above the comparable 1954 week and 1,785,000,000 kwh. over the like week in 1953.

Car Loadings Affected by Labor Trouble and Unseasonably Severe Weather Fall 2.5% Below Preceding Week

Loadings of revenue freight for the week ended Mar. 26, 1955, which was affected by labor trouble on several railroads in the Southern District and unseasonably severe weather in some sections of the country, decreased 16,670 cars, or 2.5% below the preceding week, according to the Association of American Railroads.

Loadings for the week ended March 26, 1955, totaled 639,447 cars, an increase of 38,033 cars, or 6.3% above the corresponding 1954 week, but a decrease of 75,886 cars, or 10.6% below the corresponding week in 1953.

U. S. Automotive Output Last Week Edged Above All-Time Record High of Previous Period

The automobile industry for the latest week ended April 1, 1955, according to "Ward's Automotive Reports," assembled an estimated 176,301 cars, compared with 178,068 (revised) in the previous week. The past week's production total of cars and trucks amounted to 206,606 units, an increase above the preceding week's output of 1,147 units, states "Ward's." Last week's car output fell below that of the previous week by 1,767 cars, but truck output rose during the week. In the corresponding week last year 116,530 cars were assembled.

Last week, "Ward's" noted total domestic vehicle output of 206,606 units rose above the all-time record of 205,459 units reached in the preceding week, rising truck volume offsetting the dip in passenger cars programming.

Last week, the agency reported there were 30,305 trucks made in the United States. This compared with 27,391 in the previous week and 22,061 a year ago.

Canadian output last week was placed at 10,255 cars and 1,800 trucks. In the previous week Dominion plants built 9,925 cars and 1,963 trucks, and for the comparable 1954 week 6,222 cars and 1,685 trucks.

Business Failures Extend Rise of Prior Week

Commercial and industrial failures rose a little to 237 in the week ended March 31 from 232 in the preceding week, according to Dun & Bradstreet, Inc. Casualties were less numerous than a year ago, however, when 267 occurred although they remained above the 1953 level of 174. In comparison with prewar 1939, mortality was 24% below the toll of 310 in the similar week of that year.

Small failures with liabilities under $5,000, accounted for the week's upturn, increasing to 44 from 32 last week and 37 a year ago. On the other hand, failures involving liabilities of $5,000 or more declined to 193 from 200 in the previous week and 230 in the comparable week of 1954. Twenty businesses failed with liabilities in excess of $100,000 as against 22 a week ago.

Wholesale Food Price Index Reacts to a Moderately Lower Level in Latest Week

Following last week's mild upturn, the Dun & Bradstreet wholesale food price index fell to $6.52 on March 29, from $6.55 a week earlier, marking a new low for the year and the lowest since Nov. 17, 1953 when it stood at $6.51. The latest number compares with $7.42 a year ago, or a drop of 12.1%.

Advancing in wholesale cost last week were flour, beef, lard, sugar, cottonseed oil, peanuts, rice, currants and hogs. Declines included wheat, corn, rye, oats, barley, milk, coffee, cocoa, eggs, potatoes, steers and lambs.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Level Was Confined to a Narrow Range in Latest Week

The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., held within narrow limits during the past week. The index closed at 276.76 on March 29, up slightly from 275.88 a week ago and comparing with 278.42 on the corresponding date last year.

Following the steadier tone witnessed toward the end of the prior week, grain markets last week moved irregularly over a narrow range and finished with moderate net losses for the period.

Reports of snow and rain in parts of the Winter wheat area helped to depress wheat, although the main drought area of the Southwest did not receive any important precipitation during the week. Considerable export business in the bread cereal was reported but most of this wheat was sold from Government stocks. Corn was lower at the weekend although good demand and light offerings coupled with higher hog prices helped to resist the downward pressure. Export trade in corn was slow. Oats and rye weakened in sympathy with other grains. Sales of all grain and soybean futures on the Chicago Board of Trade last week reached a daily average of 47,200,000 bushels, against 43,100,000 the week before, and 61,100,000 a year ago.

Cocoa values continued to trend downward. The easiness was attributed to lagging manufacturer interest for spot stocks and reports of a further decline in British Marketing Board selling prices. Warehouse stocks of cocoa continued to mount and totaled 157,358 bags, compared with 147,220 a week earlier, and 115,254 bags a year ago.

The domestic raw sugar market was active with prices moving sharply higher, under the influence of aggressive demand from refiners in anticipation of the expected seasonal pick-up in demand for Spring and Summer months.

Coffee was steady throughout the week aided by rumors of various plans designed to stabilize coffee prices. Domestic flour business continued quiet with bookings confined to immediate and nearby requirements. Reports of better export business in prospect and a further upturn in live hog values helped to strengthen the lard market last week with prices moving up sharply at times. Demand for hogs broadened considerably as receipts in the Chicago market dropped to the smallest for any week since last October. Wholesale prices of pork loins and butts also continued to climb.

Spot cotton prices generally held steady with closing prices little changed from a week ago.

Trading continued to lag with sales in the 14 markets totaling 64,200 bales, the smallest for any comparable week since 1942, and comparing with 70,100 bales a week earlier and 90,800 bales two week previous.

Total consumption of cotton during the first seven months this season, according to the Census Bureau, was 5,127,000 bales. This compared with 5,107,000 bales in the August-February period last season and 5,514,000 two years ago. Cotton ginned from the 1954 crop for the season through February totaled 13,594,000 bales, against 16,317,000 last season.

Trade Volume Stimulated the Past Week by Easter Buying

Easter shopping increased in the period ended on Wednesday of last week, bringing retail trade moderately above the level of both the preceding week and the same week of 1954.

Merchants reported that there was little difficulty in selling medium and higher-priced merchandise; the later date for filing Federal income tax returns this year appeared to have little or no effect on retail sales.

The total dollar volume of trade in the week ended was estimated by Dun & Bradstreet, Inc., to be 1 to 5% above a year ago. Regional estimates varied from the corresponding 1954 levels by the following percentages: Midwest —1 to —5; New England —1 to +3; East 0 to +4; Northwest +2 to +6; Pacific Coast +3 to +7; South +4 to +8 and the Southwest +5 to +9.

Women's and children's Easter apparel was in good demand, but men's wear sold poorly. Although purchases of women's Spring coats were below expectations, dresses and accessories were popular. Sales of children's wear were markedly higher than in the same week of 1954.

Both new and used cars continued to reflect a seasonal rise in sales, though the rate of gain over the preceding week was less than a year ago. Dealers' stocks of new models were at the highest level in eight months.

The dollar volume of wholesale trade in the period ended on Wednesday of the past week rose above the level of the preceding week and was considerably higher than last year at this time.

Increased buying of apparel, food and household goods more than offset a slight decline in textiles. There were many hurried reorders of seasonal merchandise for Easter retail promotions.

Department store sales on a country wide basis as taken from the Federal Reserve Board's index for the week ended March 26, 1955, advanced 2% from the like period last year. In the preceding week March 19, 1955, a rise of 14% was registered from that of the similar period of 1954, while for the four weeks ended March 26, 1955, an increase of 10% was recorded. For the period Jan. 1, 1955 to March 26, 1955, a gain of 7% was registered above that of 1954.

Retail trade in New York City the past week was 12% ahead of the volume for the like period a year ago as a result of Easter falling on an earlier date this year.

According to the Federal Reserve Board's index department store sales in New York City for the weekly period ended March 26, 1955, dropped 1% below that of the like period of last year In the preceding week, March 19, 1955, an increase of 10% was recorded. For the four weeks ending March 26, 1955, an increase of 4% occurred. For the period Jan. 1, 1955 to March 26, 1955 the index advanced 2% from that of 1954.

Coombs Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — William D. Bradford, George A. Phillips and Roy E. Russell have joined the staff of Coombs & Co. of Los Angeles, Inc., 602 West Sixth Street.

Dean Witter Adds

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif. — Stewart D. Randall has been added to the staff of Dean Witter & Co., Patterson Building.

With Investors Diversified

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif.—Robert B. Culvyhouse is now affiliated with Investors Diversified Services, Inc., He was formerly with Halbert, Hargrove & Co.

Joins Dean Witter

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif. — Raymond K. Bartholomew is now with Dean Witter & Co., Security Building.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (percent of capacity)	Apr. 10	§94.3	*94.4	92.9	68.0
Equivalent to—					
Steel ingots and castings (net tons)	Apr. 10	§2,276,000	*2,278,000	2,241,000	1,622,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 25	6,862,000	6,858,400	6,789,450	6,452,150
Crude runs to stills—daily average (bbls.)	Mar. 25	¶7,334,000	7,474,000	7,673,000	7,000,000
Gasoline output (bbls.)	Mar. 25	23,788,000	24,443,000	25,349,000	23,607,000
Kerosene output (bbls.)	Mar. 25	2,206,000	2,801,000	2,550,000	2,424,000
Distillate fuel oil output (bbls.)	Mar. 25	11,778,000	11,872,000	12,904,000	10,185,000
Residual fuel oil output (bbls.)	Mar. 25	8,049,000	8,538,000	8,909,000	8,371,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Mar. 25	184,157,000	*183,840,000	181,310,000	178,626,000
Kerosene (bbls.) at	Mar. 25	18,890,000	19,053,000	18,791,000	17,800,000
Distillate fuel oil (bbls.) at	Mar. 25	62,657,000	63,735,000	68,731,000	60,654,000
Residual fuel oil (bbls.) at	Mar. 25	46,050,000	44,801,000	45,652,000	44,093,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 26	639,447	656,117	635,453	601,414
Revenue freight received from connections (no. of cars)	Mar. 26	598,039	624,209	639,573	588,622
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Mar. 31	$335,750,000	$544,837,000	$373,194,000	$329,541,000
Private construction	Mar. 31	245,535,000	410,742,000	225,019,000	198,852,000
Public construction	Mar. 31	90,215,000	134,095,000	148,175,000	130,689,000
State and municipal	Mar. 31	71,840,000	107,524,000	124,565,000	113,699,000
Federal	Mar. 31	18,375,000	26,571,000	23,610,000	16,990,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 26	7,900,000	8,050,000	8,800,000	6,821,000
Pennsylvania anthracite (tons)	Mar. 26	374,000	402,000	568,000	474,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Mar. 26	102	108	93	100
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Apr. 2	9,804,000	9,907,000	9,727,000	8,463,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 31	237	232	222	267
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 29	4.797c	4.797c	4.797c	4.634c
Pig iron (per gross ton)	Mar. 29	$56.59	$56.59	$56.59	$56.59
Scrap steel (per gross ton)	Mar. 29	$37.00	$37.50	$36.75	$24.33
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 30	33.800c	32.700c	32.700c	29.700c
Export refinery at	Mar. 30	39.250c	39.000c	35.575c	29.150c
Straits tin (New York) at	Mar. 30	91.125c	91.500c	91.125c	95.500c
Lead (New York) at	Mar. 30	15.000c	15.000c	15.000c	13.500c
Lead (St. Louis) at	Mar. 30	14.800c	14.800c	14,800c	13.300c
Zinc (East St. Louis) at	Mar. 30	11.500c	11.500c	11,500c	10.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Apr. 5	96.30	96.86	97.03	100.43
Average corporate	Apr. 5	109.42	109.42	109.24	110.88
Aaa	Apr. 5	112.93	112.93	112.37	116.02
Aa	Apr. 5	110.70	110.70	110.70	113.12
A	Apr. 5	109.79	109.60	109.60	110.34
Baa	Apr. 5	104.48	104.48	104.48	104.66
Railroad Group	Apr. 5	107.62	107.62	107.44	109.60
Public Utilities Group	Apr. 2	110.15	110.15	109.97	110.70
Industrials Group	Apr. 5	110.52	110.52	110.34	112.37
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Apr. 5	2.77	2.73	2.72	2.46
Average corporate	Apr. 5	3.20	3.20	3.21	3.12
Aaa	Apr. 5	3.01	3.01	3.04	2.85
Aa	Apr. 5	3.13	3.13	3.13	3.00
A	Apr. 5	3.18	3.19	3.19	3.15
Baa	Apr. 5	3.48	3.48	3.48	3.47
Railroad Group	Apr. 5	3.30	3.30	3.31	3.19
Public Utilities Group	Apr. 5	3.16	3.16	3.17	3.13
Industrials Group	Apr. 5	3.14	3.14	3.15	3.04
MOODY'S COMMODITY INDEX	Apr. 5	400.6	404.0	393.9	438.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 26	242,594	251,820	229,112	222,161
Production (tons)	Mar. 26	267,445	273,946	259,007	239,337
Percentage of activity	Mar. 26	95	97	95	90
Unfilled orders (tons) at end of period	Mar. 26	451,822	478,707	387,743	355,230
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Apr. 1	107.07	107.23	107.08	108.12
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)†—					
Number of shares	Mar. 19	1,538,967	1,564,520	1,680,153	905,313
Dollar value	Mar. 19	$80,834,406	$82,682,149	$88,042,721	$40,655,258
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 19	1,565,782	1,701,240	1,459,995	977,923
Customers' short sales	Mar. 19	11,510	6,804	8,967	7,792
Customers' other sales	Mar. 19	1,554,272	1,694,436	1,451,028	970,131
Dollar value	Mar. 19	$78,572,088	$88,023,370	$70,281,214	$41,514,314
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 19	427,350	574,580	402,070	332,440
Short sales	Mar. 19	------	------	------	------
Other sales	Mar. 19	427,350	574,580	402,070	332,440
Round-lot purchases by dealers—					
Number of shares	Mar. 19	439,740	397,150	594,220	256,550
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total Round-lot sales—					
Short sales	Mar. 12	498,490	496,210	645,250	424,290
Other sales	Mar. 12	16,522,120	15,390,160	17,468,910	10,113,300
Total sales	Mar. 12	17,020,610	15,886,370	18,114,160	10,537,590
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 12	2,303,570	1,596,310	1,862,810	1,075,860
Short sales	Mar. 12	286,100	284,120	355,610	215,930
Other sales	Mar. 12	1,831,170	1,386,200	1,645,230	874,860
Total sales	Mar. 12	2,117,270	1,670,320	2,000,840	1,090,790
Other transactions initiated on the floor—					
Total purchases	Mar. 12	361,560	242,280	294,470	373,000
Short sales	Mar. 12	30,100	20,300	15,000	22,500
Other sales	Mar. 12	428,610	305,260	308,650	346,900
Total sales	Mar. 12	458,710	325,560	323,650	369,400
Other transactions initiated off the floor—					
Total purchases	Mar. 12	559,100	532,426	643,323	457,126
Short sales	Mar. 12	68,920	70,990	112,040	41,000
Other sales	Mar. 12	670,620	841,252	1,039,232	377,675
Total sales	Mar. 12	739,540	912,242	1,151,272	418,675
Total round-lot transactions for account of members—					
Total purchases	Mar. 12	3,224,230	2,371,016	2,800,603	1,905,986
Short sales	Mar. 12	385,120	375,410	482,650	279,430
Other sales	Mar. 12	2,930,400	2,532,712	2,993,112	1,599,435
Total sales	Mar. 12	3,315,520	2,908,122	3,475,762	1,878,865
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Mar. 29	110.5	110.1	110.1	110.9
Farm products	Mar. 29	93.8	93.0	92.8	99.9
Processed foods	Mar. 29	103.7	*102.2	102.7	105.0
Meats	Mar. 29	86.8	82.3	93.7	93.8
All commodities other than farm and foods	Mar. 29	115.5	115.5	115.3	114.4

*Revised figure. ¶Includes 752,000 barrels of foreign crude runs. §Based on new annual capacity of 125,828,310 tons as of Jan. 1, 1955, as against Jan. 1, 1954 basis of 124,330,410 tons.
†Number of orders not reported since introduction of Monthly Investment Plan.

	Latest Month	Previous Month	Year Ago
AMERICAN PETROLEUM INSTITUTE—Month of December:			
Total domestic production (barrels of 42 gallons each)	220,990,000	212,101,000	215,137,000
Domestic crude oil output (barrels)	198,213,000	190,367,000	193,378,000
Natural gasoline output (barrels)	22,724,000	21,686,000	21,709,000
Benzol output (barrels)	53,000	48,000	50,000
Crude oil imports (barrels)	22,589,000	19,082,000	18,547,000
Refined products imports (barrels)	17,751,000	*14,000,000	16,191,000
Indicated consumption domestic and export (barrels)	298,249,000	*258,641,000	277,992,000
Decrease all stock (barrels)	36,919,000	*13,458,000	28,117,000
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—215 CITIES—Month of February:			
New England	$23,245,925	$14,350,014	$10,902,692
Middle Atlantic	75,968,217	93,469,593	79,109,226
South Atlantic	46,488,242	42,800,847	42,528,387
East Central	80,905,186	62,516,345	63,278,437
South Central	98,976,940	78,089,103	61,504,105
West Central	22,074,312	27,038,879	18,856,576
Mountain	18,690,754	18,521,497	15,764,178
Pacific	69,983,474	69,917,725	54,042,928
Total United States	$436,333,050	$406,704,008	$345,986,529
New York City	47,687,734	49,423,105	51,047,477
Outside New York City	388,645,316	357,280,903	294,939,052
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of February:			
Manufacturing number	188	195	207
Wholesale number	104	114	37
Retail number	412	456	449
Construction number	113	87	109
Commercial service number	60	87	74
Total number	877	939	926
Manufacturing liabilities	$18,922,000	$11,636,000	$23,043,000
Wholesale liabilities	4,338,000	4,391,000	4,538,000
Retail liabilities	8,928,000	9,647,000	11,770,000
Construction liabilities	7,624,000	9,044,000	4,082,000
Commercial service liabilities	2,244,000	3,154,000	4,341,000
Total liabilities	$42,056,000	$37,872,000	$47,774,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE — Month of February (000s omitted)	$261,000	$721,000	$244,000
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of March (000's omitted):			
Total U. S. construction	$1,986,841	$1,084,874	$952,637
Private construction	1,340,803	673,128	545,970
Public construction	646,038	411,746	406,667
State and municipal	490,130	307,699	349,803
Federal	155,908	104,047	56,864
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of Feb. 28:			
Total consumer credit	$29,518	*$29,760	$28,140
Instalment credit	22,508	22,436	21,582
Automobile	10,641	10,459	10,010
Other consumer goods	5,484	5,609	5,588
Repair and modernization loans	1,550	1,574	1,623
Personal loans	4,833	4,794	4,361
Noninstalment credit	7,010	*7,324	6,558
Single payment loans	2,427	*2,371	2,133
Charge accounts	2,831	3,225	2,682
Service credit	1,752	1,728	1,743
CONSUMER PRICE INDEX — 1947-49=100—Month of February:			
All items	114.3	114.3	115.0
Food	110.8	110.6	112.6
Food at home	109.6	109.4	112.0
Cereals and bakery products	123.8	123.4	121.3
Meats, poultry and fish	102.5	102.4	109.7
Dairy products	106.1	106.4	109.0
Fruits and vegetables	110.7	110.6	108.0
Other foods at home	112.1	111.3	114.0
Housing	119.6	119.6	118.9
Rent	129.7	129.5	127.9
Gas and electricity	109.9	109.4	107.5
Solid fuels and fuel oil	126.2	126.1	126.2
Housefurnishings	104.8	104.6	107.2
Household operation	117.7	117.7	117.3
Apparel	103.4	103.3	104.7
Men's and boys'	105.6	105.5	107.4
Women's and girls'	97.7	97.6	99.5
Footwear	116.6	116.7	116.1
Other apparel	90.6	90.5	90.4
Transportation	127.4	127.6	129.4
Medical care	126.8	126.5	124.1
Personal care	113.5	113.7	113.9
Reading and recreation	106.4	106.9	108.0
Other goods and services	119.8	119.9	120.2
COTTON GINNING (DEPT. OF COMMERCE)— To March 21 (running bales)	13,594,166	------	16,317,126
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Feb. 26	22,402,000	22,495,000	23,075,000
Spinning spindles active on Feb. 26	19,429,000	19,282,000	20,277,000
Active spindle hours (000's omitted) Feb. 26	9,299,000	9,184,000	9,561,000
Active spindle hours per spindle in place February	472.8	459.2	469.0
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of Jan. (000's omitted):			
Savings and loan associations	$688,457	$784,085	$467,219
Insurance companies	164,519	191,404	107,717
Bank and trust companies	378,699	419,806	262,978
Mutual savings banks	127,953	157,762	84,815
Individuals	245,547	252,358	211,986
Miscellaneous lending institutions	419,185	461,560	237,527
Total	$2,024,360	$2,266,975	$1,372,242
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of December:			
Net railway operating income	$108,694,910	$94,118,053	$77,833,468
Other income	66,209,154	20,116,203	73,153,604
Total income	174,904,064	114,234,256	150,987,072
Miscellaneous deductions from income	12,317,752	4,002,142	18,953,360
Income available for fixed charges	162,586,312	110,232,114	132,033,712
Income after fixed charges	131,246,495	78,284,152	97,510,698
Other deductions	4,622,711	2,766,420	17,521,304
Net income	126,623,784	75,517,732	79,989,394
Depreciation (way & structure & equipment)	43,826,212	44,196,199	43,490,199
Federal income taxes	Cr15,183,869	28,235,495	Cr28,532,083
Dividend appropriations:			
On common stock	29,916,094	60,102,939	58,454,911
On preferred stock	3,722,452	9,088,271	5,360,831
Ratio of income to fixed charges	5.01	3.45	3.59
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of February (000's omitted):			
Exports	$1,223,000	$1,168,000	$1,182,600
Imports	858,000	870,000	809,111

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

★ Admiral Homes, Inc., West Newton, Pa. (4/12)
March 28 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes. **Underwriter** — Reed, Lear & Co., Pittsburgh, Pa.

Allied Uranium Mines, Inc. (4/18-22)
March 25 filed 600,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For exploration of mining claims, and expenses incident thereto. **Office**—701 Newhouse Building, Salt Lake City, Utah. **Underwriter**—H. J. Cooney & Co., New York.

American Asbestos Co., Ltd.
Feb. 17 (Regulation "D") 600,000 shares of common stock (par $1). **Price** — 50 cents per share. **Proceeds**—For general corporate purposes. **Underwriter**—Maine Investment Co., Ltd.

★ American Electronics, Inc. (4/20-21)
March 31 filed $1,250,000 of 5% convertible debentures due April 1, 1967. **Price**—100% and accrued interest. **Proceeds**—To retire bank loans and notes payable; for loans to subsidiaries; and for working capital. **Underwriters** — Van Alstyne, Noel & Co., New York; and Crowell, Weedon & Co., Los Angeles, Calif.

American International Minerals Corp.
Feb. 25 filed 460,000 shares of common stock (par 10¢). **Price**—$1 per share. **Proceeds**—For exploration and development of mining properties of subsidiary and for working capital, etc. **Office**—Dover, Del. **Underwriter**—Vickers Bros., New York. **Offering**—Expected in about five weeks.

American Locomotive Co.
March 11 filed $25,000,000 sinking fund debentures due March 15, 1980. **Price**—To be supplied by amendment **Proceeds**—Together with other funds, to redeem $18,700,000 of 7% cumulative preferred stock (par $100) at $115 per share and prepay $10,000,000 loan from Metropolitan Life Insurance Co. **Underwriter**—Smith, Barney & Co., New York. **Offering**—Temporarily postponed.

Anchor Precision Corp., Westbury, L. I., N. Y.
March 28 filed 118,000 shares of 5½% cumulative convertible preferred stock. **Price**—At par ($5 per share). **Proceeds**—For expansion in Mid-west, to fabricate additional micro-zip machine and zipper manufacturing equipment and for working capital. **Underwriter**—D. Gleich Co., New York.

★ Antelope Oil & Gas Co., Spokane, Wash.
March 28 (letter of notification) 400,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to oil, gas and uranium activities. **Office**—711 Hutton Bldg., Spokane, Wash. **Underwriter**—None.

• Arkansas Power & Light Co.
March 3 filed 93,500 shares of $4.72 cumulative preferred stock (par $100) being offered in exchange for outstanding 47,609 shares of $7 preferred stock and 45,891 shares of $6 preferred stock on a share-for-share basis (plus a small cash adjustment) during a period to expire on April 19. **Underwriters**—Equitable Securities Corp. and Union Securities Corp. (jointly) who will purchase any unexchanged shares at $105 per share and reoffer same at $107 per share and accrued dividends.

Astron Corp., East Newark, N. J. (4/25-29)
March 25 filed 250,000 shares of common stock (par 10 cents), of which 200,000 shares are to be sold for account of the company and 50,000 shares for certain selling stockholders. **Price**—$4 per share. **Proceeds**—For expansion program, inventory and working capital. **Underwriter**—Van Alstyne, Noel & Co., New York.

★ Augusta Newspapers, Inc., Augusta, Ga. (5/2)
April 5 filed 40,000 shares of 6% cumulative preferred stock (par $10) and 50,000 shares of class A common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—To acquire stock of Southeastern Newspapers, Inc.; $100,000 to be contributed to capital surplus of latter; and for general corporate purposes. **Underwriter**—Johnson, Lane, Space & Co., Savannah, Ga.

Automatic Remote Systems, Inc.
March 3 filed 540,000 shares of common stock (par 50 cents). **Price**—$3.75 per share. **Proceeds**—For manufacture of Teleac Sending and Receiving Units, working capital and general corporate purposes. **Office**—Baltimore, Md. **Underwriter**—Mitchell Securities, Inc., same city.

Best American Life Insurance Co., Mesa, Ariz.
Feb. 11 filed 800,000 shares of class A common stock (par $1) to be offered to present and future holders of its life insurance policies with stock purchase rights; 75,000 shares of class B common stock (par $1) to be offered to present and future life insurance salesmen, district managers and state managers; and 455,208 double option coupons with and attached to policies of whole life insurance, to be offered to the general public. **Proceeds**—To build up capital and surplus of company to permit to qualify as a full legal reserve company and expand into other states. **Underwriter**—None. Richard G. Johnson of Mesa, Ariz., is President.

★ Bevanda Mines, Inc., Lovelock, Nev.
March 23 (letter of notification) 50,000 shares of 5% cumulative preferred stock. **Price** — At par ($1 per share). **Proceeds**—For mining operations. **Underwriter**—None.

Big Indian Uranium Corp., Provo, Utah
July 15 (letter of notification) 500,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining operations. **Address**—Box 77, Provo, Utah. **Underwriter**—Weber Investment Co., 242 N. University Ave., Provo, Utah.

Bikini Uranium Corp., Denver, Colo.
Oct. 15 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For exploration and development costs. **Office** — 705 First National Bank Bldg., Denver, Colo **Underwriter**—I. J. Schenin Co., New York.

★ Black Hills Power & Light Co.
March 1 (letter of notification) 10,950 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each 23 shares held. **Price**—$26 per share. **Proceeds**—For additions and improvements to property. **Office** — Rapid City, S. D. **Underwriter**—None.

Bridgeport Brass Co., Bridgeport, Conn. (4/18)
March 28 filed 202,547 shares of cumulative preferred stock (par $50) to be offered for subscription by common stockholders of record about April 15 on the basis of one preferred share for each six shares held. **Price**—To be supplied by amendment. **Proceeds** — To retire outstanding long-term debt (3¾% serial debentures, 2½% notes, and 4% mortgage on Indianapolis plant) and for general corporate purposes. **Underwriters**—Blyth & Co., Inc.; Hornblower & Weeks; and Stone & Webster Securities Corp.; all of New York.

★ Bridger Uranium Co., Reno, Nev.
March 24 (letter of notification) 500,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining operations. **Office**—139 No. Virginia St., Reno, Nev. **Underwriter**—None.

★ Broad Street Investing Corp., New York
March 29 filed (by amendment) 1,200,000 additional shares of caiptal stock. **Price**—At market. **Proceeds**—For investment.

Brown Co., Berlin, N. H.
March 17 filed $14,217,100 of debentures due May 15, 1975, and 142,171 shares of common stock (par $1) to be offered for subscription by holders of "called" $5 cumulative convertible first preference stock who have not surrendered their shares for redemption or conversion into common stock. These holders may subscribe for $100 of debentures and one share of common stock for each $5 preference share held. **Price** — $100 per unit. **Proceeds**—For redemption of $5 preference stock. **Underwriter**—None.

★ Cal-Utah Uranium, Inc.
Feb. 28 (letter of notification) 500,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—111 Sutter St., San Francisco, Calif. **Underwriter**—None.

California-Pacific Utilities Co.
March 14 filed 50,000 shares of 5% cumulative convertible preferred stock (par $20). **Price**—To be supplied by amendment. **Proceeds** — To repay bank loans and for new construction. **Underwriter** — First California Co., San Francisco, Calif.

California Tuna Fleet, Inc.
Feb. 15 filed (amendment) $500,000 of 6% sinking fund debentures due 1967 and 50,000 shares of common stock (par $1) to be offered in units of a $1,000 debenture and 100 shares of stock. **Price**—Expected at $1,100 per unit. **Proceeds**—For expansion and working capital. **Office**—San Diego, Calif. **Underwriter**—Barrett Herrick & Co., Inc., New York.

★ California Washington Petroleum Corp.
March 18 (letter of notification) 196,135 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For exploration and development expenses. **Office** — 3500 Rodeo Road, Los Angeles, Calif. **Underwriter** — Joe S. Shigezane, 3872 Cherrywood St., Los Angeles, Calif., and others.

★ Carling Brewing Co., Inc., Cleveland, Ohio
March 15 (letter of notification) 3,803 shares of capital stock (par $15) to be offered for subscription by stockholders. **Price**—$40 per share. **Proceeds**—To repay loan from Canadian Breweries, Ltd. **Office** — 9400 Quincy Ave., Cleveland, O. **Underwriter**—None.

Central Maine Power Co. (4/12)
March 16 filed $12,000,000 of first and general mortgage bonds, series V, due 1985. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and W. E. Hutton & Co. (jointly); Salomon Bros. & Hutzler; Kuhn, Loeb & Co.; Union Securities Corp. and A. C. Allyn & Co. Inc. (jointly). **Bids**—To be received up to 11 a.m. (EST) on April 12 at the company's office, 443 Congress St., Portland, Me.

★ Champa Mining Co., Denver, Colo.
Feb. 25 (letter of notification) 150,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining operations. **Office**—215 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

• Chesapeake & Colorado Uranium Corp. (4/14-18)
Dec. 7 filed 1,000,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For exploration and development program. **Office** — Washington, D. C. **Underwriters**—S. D. Fuller & Co.; Peter Morgan & Co.; and Vermilye Brothers; all of New York.

Citizens Natural Gas Co., Inc.
March 15 (letter of notification) 80,000 shares of preferred stock and 20,000 shares of common stock to be offered in units of four shares of preferred and one share of common stock. **Price**—$14.50 per unit. **Proceeds**—For repayment of loans, and for improvements, etc. **Office**—230 South Fifth St., Las Vegas, Nev. **Underwriter**—Lester L. LaFortune, same city.

★ Collins Radio Co. (4/25-29)
April 5 filed 122,500 shares of convertible preferred stock (par $50) to be offered for subscription by class A and class B common stockholders on the basis of one new share for each 12 shares held. **Price**—To be supplied by amendment. **Proceeds**—To redeem presently outstanding preferred stock and for working capital. **Underwriters**—Kidder, Peabody & Co. and White, Weld & Co., both of New York.

★ Commonwealth Stock Fund, Inc., San Francisco, Calif.
April 4 filed (by amendment) 300,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ Commonwealth Uranium, Inc., Salt Lake City, Utah
March 17 (letter of notification) 7,500,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office** — Suite 29, Salt Lake Stock & Mining Exchange Bldg., Salt Lake City, Utah. **Underwriter**—Trans-Western Brokerage Co., same city.

Confidential Finance Corp., Omaha, Neb
March 11 (letter of notification) 150,000 shares of 7% cumulative preferred stock (par 95 cents) and 15,000 shares of common stock (par one cent) to be offered in units of 10 shares of preferred stock and one share of common stock. **Price** — $10 per unit. **Proceeds** — For working capital. **Underwriter**—J. J. Riordan & Co., Inc., 42 Broadway, New York City.

Consol. Edison Co. of New York, Inc.
April 7, 1954, filed $50,000,000 first and refunding mortgage bonds, series K, due May 1, 1984. **Proceeds**—To be applied towards cost of redeeming $27,982,000 New York Steam Corp. first mortgage bonds and $25,000,000 Westchester Lighting Co. general mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Morgan, Stanley & Co.; The First Boston Corp. **Offering**—Originally set for May 11, but has been postponed because of market conditions. No new date set.

Consolidated Fenimore Iron Mines Ltd.
Jan. 24 filed 204,586 shares of common stock (par $7), to be offered for subscription by common stockholders of record Feb. 7, 1955 at the rate of one new share for each five shares held. **Price**—$2.20 per share. **Proceeds**—From sale of this stock, plus $440,000 to be available from sale of 200,000 shares to Alator Corp. Ltd. and Yam Securities Ltd., and $175,000 treasury funds, to be used to pay for geological surveys and metallurgical research, for drilling expenses and other general corporate purposes. **Office**—Toronto, Canada. **Underwriter**—None.

Consolidated Sudbury Basin Mines, Ltd., Toronto, Canada
Jan. 31 filed 3,000,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—For exploration and development of properties. **Underwriter**—Stock to be sold on Toronto Stock Exchange or through underwriters or selected dealers in United States.

★ Constellation Uranium Corp., Denver, Colo.
March 22 (letter of notification) 2,855,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining expenses. **Office**—206 Mercantile Bldg., Denver, Colo. **Underwriter**—Bay Securities Corp., New York.

Continental Electric Equipment Co.
Jan. 28 (letter of notification) 8,645 shares of common stock (no par) to be offered for subscription by stockholders of record March 1, 1955 on the basis of one new share for each five shares held; rights to expire on April 15. **Price** — $18.75 per share. **Proceeds** — For working capital. **Office** — 1 Green Hills Place, Cincinnati, O. **Underwriter**—None.

Continental Loan Co., Dallas, Tex.
Dec. 22 (letter of notification) $150,000 of 4% 10-year debentures and 42,000 shares of common stock (par 10 cents) to be offered in units of $1,000 of debentures and 200 shares of stock; remaining 12,000 shares to be purchased by underwriter. **Price**—$1,400 per unit; and $2 per common share. **Proceeds**—To buy common stock of Budget and Mutual and for working capital. **Office**—

815 Fidelity Union Life Bldg., Dallas, Tex. **Underwriter**—Securities Management Corp., same address.

Continental Telephone Co.
March 18 filed 243,060 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each four shares held as of April 7; rights to expire on April 20. Theodore Gary & Co., which owns 50.49% of the outstanding shares of Continental common stock, intends to purchase the 122,716 shares to which it is entitled to subscribe. **Price**—To be supplied by amendment. **Proceeds**—To be used principally for financing the company's subsidiaries and for other general corporate purposes. **Underwriters**—White, Weld & Co., The First Boston Corp. and W. C. Pitfield & Co., Inc., all of New York.

★ **Continental Uranium Exploration Co. (Colo.)**
Feb. 28 (letter of notification) 650,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office** — Anaconda Mine, Route No. 4, County of Gunnison, Colo. **Underwriter**—None.

★ **Corson (G. & W. H.), Inc., Plymouth Meeting, Pa. (4/21)**
March 30 filed 40,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To two selling stockholders. **Business** — Produces chemical and metallurgical lime and limestone products, etc. **Underwriters** — Estabrook & Co., Boston, Mass., and De Haven & Townsend, Crouter & Bodine, Philadelphia, Pa.

Crestmont Oil Co., Los Angeles, Calif. (4/13)
March 21 filed 125,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loan and to acquire additional not fully developed producing properties with good oil reserves. **Underwriter** — Shearson, Hammill & Co., Los Angeles, Calif. and New York, N. Y.

★ **Dal-Tex Uranium Corp., Dallas, Texas**
March 24 (letter of notification) 2,850,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—6051 Del Norte Lane, Dallas, Tex. **Underwriter** — Selected Securities Ltd., Las Vegas, Nev.

★ **Dayton Power & Light Co.**
April 1 filed 50,000 shares of common stock (par $7) to be offered for subscription by employees under the company's Employees' Stock Plan.

Desert Queen Uranium Co., Salt Lake City, Utah
Jan. 26 (letter of notification) 259,500 shares of common stock (par two cents). **Price**—$1 per share. **Proceeds**—for mining operations. **Office**—506 Judge Building, Salt Lake City, Utah. **Underwriter** — Selected Securities Ltd., Los Vegas, Nev.

★ **Devon-Leduc Oils, Ltd., Winnipeg, Canada**
March 31 filed warrants for the purchase of 200,000 shares of capital stock (par 25 cents—Canadian) at $1.50 per share and 200,000 shares of such stock. **Price** — At the market price prevailing at the time of the sale of the warrants. **Proceeds** — For general corporate purposes. **Underwriter** — American Securities Corp., New York.

Devonian Gas & Oil Co., Renovo, Pa.
March 1 (letter of notification) 500,000 shares of common stock (par 10 cents) to be offered for subscription by stockholders. **Price**—25 cents per share. **Proceeds**—For drilling operations and working capital. **Office**—704 Erie Ave., Renovo, Pa. **Underwriter**—None.

Diamond Uranium Corp., Moab, Utah
Jan. 20 (letter of notification) 3,500,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office**—M. I. C. Bldg., Moab, Utah. **Underwriter**—Security Uranium Service, Inc., K. O. V. O. Bldg., P. O. Box 77, Provo, Utah.

Dixie Fire & Casualty Co., Greer, S. C.
March 11 (letter of notification) 5,000 shares of common stock (par $10). **Price**—$25 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

★ **Dover Corp., Louisville, Ky. (5/2-6)**
March 30 filed 106,208 shares of common stock (par $1), of which 77,208 shares are to be offered by company and 29,000 shares by George L. Ohrstrom, Chairman of the Board. **Price**—To be supplied by amendment. **Proceeds**—For new plant and working capital. **Business**—Manufacturing lifting and sealing devices. **Underwriter**—Cohu & Co., New York.

★ **Downey's Inc., Hatch, N. Mex.**
Feb. 28 (letter of notification) 2,500 shares of preferred stock (par $20) and 2,500 shares of common stock (no par) to be offered in units of one share of each class of stock. **Price**—To be supplied by amendment. **Proceeds**—For equipment. **Underwriter**—None.

★ **Doyle (R. V.) Interiors, Inc.**
March 17 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—139 No. Virginia St., Reno, Va. **Underwriter**—None.

Dyno Mines, Ltd., Toronto, Canada.
March 25 filed 1,100,000 shares of common stock (par $1). **Price**—To be related to the current market price on the Toronto Stock Exchange. **Proceeds**—To American Trading Co. Ltd., the selling stockholder. **Underwriter**—R. W. Brown Ltd., Toronto, Canada, on a "best-efforts basis."

East Texas Loan & Investment Co.
Jan. 20 (letter of notification) 25,000 shares of common stock (no par). **Price** — $10 per share. **Proceeds**—For working capital. **Office**—203 East Cotton St., Longview, Tex. **Underwriter**—D. G. Carter Investment Co., same address.

● **Eastern Stainless Steel Corp.**
March 16 filed 126,755 shares of common stock (par $5), of which 96,755 shares are being offered by the company for subscription by common stockholders of record April 5 on the basis of one new share for each five shares held (rights to expire on April 20); and 300,000 shares of common stock to be offered for account of John M. Curley, Chairman of the Board and President. **Price**—$21.50 per share. **Proceeds** — For retirement of bank loans, capital expenditures and working capital. **Office**—Colgate, Md. **Underwriter** — Hornblower & Weeks, New York.

El Morocco Enterprises, Inc., Las Vegas, Nev.
Dec. 29 filed $6,000,000 of 8% sinking fund debenture bonds due July 1, 1967, and 1,950,000 shares of common stock (par 10 cents), each purchaser of bonds to have the right to purchase common stock at par at rate of 10 shares for each $100 of bonds up to $9,900 of debenture bonds purchased, with amount of shares increasing in proportion to amount of bonds purchased. **Price**—100% of principal amount for bonds. **Proceeds**—To pay balance of purchase price of Las Vegas Hotel, Inc. capital stock, construction of main hotel building, pavilions, swimming pool, furnishings, etc. **Underwriter**—Company may sell debenture bonds and common stock to dealers through brokers.

● **ElectroData Corp., Pasadena, Calif.**
March 7 filed 210,000 shares of capital stock (par $1) being offered for subscription by stockholders at the rate of three new shares for each 10 shares held on March 31; with subscription rights to expire on April 18. **Price**—$10 per share. **Proceeds** — For construction of new plant and office building, new equipment and working capital. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Electronics Co. of Ireland
Jan. 6 filed 300,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and building and working capital. **Office** — 407 Liberty Trust Bldg., Philadelphia, Pa. **Underwriter**—None.

Electronics Investment Corp. (4/12-13)
Dec. 14 filed 2,000,000 shares of capital stock (par $1). **Price**—$5 per share. **Proceeds**—For investment. **Office**—San Diego, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Eleven Moore Street Corp.
March 3 (letter of notification) 28,143 shares of capital stock (par $1) being offered for subscription by stockholders of record March 18, 1955 on the basis of three new shares for each share held; rights to expire on April 8, 1955. **Price**—$6 per share. **Proceeds**—Together with funds from mortgage loan of $350,000 to redeem $581,700 outstanding income mortgage loan certificates. **Office**—141 Broadway, New York 6, N. Y. **Underwriter**—None, but Breswick & Co., New York, will buy unsubscribed shares.

★ **Elk Mountain Uranium Corp.**
March 18 (letter of notification) 12,500,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For mining expenses. **Office**—c/o The Corporation Trust Co. of Nevada, 206 No. Virginia St., Reno, Nev. **Underwriter**—Coombs & Co., of Washington, D. C.

Elsin Electronics Corp.
March 16 (letter of notification) 140,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**

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NEW ISSUE CALENDAR

April 8 (Friday)
Equitable Securities Co. — Common
(City Securities Corp.) $150,000

April 11 (Monday)
Fidelity Insurance Co. — Common
(McDaniel Lewis & Co.; Dietenhofer & Heartfield; and Calhoun & Co.) $162,499
Holly Uranium Corp. — Common
(Barrett Herrick & Co., Inc. and Franklin, Meyer & Barnett) $3,150,000
Pacific Northwest Pipeline Corp. — Notes & Com.
(White, Weld & Co.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp.) $17,220,000 debentures and 287,000 shares of stock
Southern States Oil Co. — Common
(Gordon Graves & Co., Inc.) $500,000

April 12 (Tuesday)
Admiral Homes, Inc. — Common
(Reed, Lear & Co.) $175,000
Central Maine Power Co. — Bonds
(Bids 11 a.m. EST) $12,000,000
Electronics Investment Corp. — Common
(William R. Staats & Co.) $10,000,000
Lee Spring Co., Inc. — Common
(S. D. Fuller & Co. and Vermilye Brothers) $298,740
Woodward & Lothrop, Inc. — Common
(Alex. Brown & Sons) 30,000 shares

April 13 (Wednesday)
Crestmont Oil Co. — Common
(Shearson, Hammill & Co.) 125,000 shares
Freuhauf Trailer Co. — Debentures
(Lehman Brothers) $15,000,000
Gross Telecasting, Inc. — Common
(Paine, Webber, Jackson & Curtis) 193,000 shares
McRae Oil & Gas Corp. — Common
(First California Co. and William R. Staats & Co.) $2,896,696

April 14 (Thursday)
Chesapeake & Colorado Uranium Corp. — Common
(S. D. Fuller & Co.; Peter Morgan & Co.; and Vermilye Brothers) $1,000,000
Marlowe Chemical Co. — Common
(General Investing Corp.) $300,000
Public Service Co. of Indiana, Inc. — Preferred
(Offering to stockholders—no underwriting) $20,243,100
Savannah Electric & Power Co. — Common
(The First Boston Corp. and Stone & Webster Securities Corp.) 165,000 shares

April 15 (Friday)
Westpan Hydrocarbon Co. — Common
(May be Union Securities Corp.) 384,861 shares

April 18 (Monday)
Allied Uranium Mines, Inc. — Common
(H. J. Cooney & Co.) $600,000
Bridgeport Brass Co. — Preferred
(Offering to stockholders—underwritten by Blyth & Co., Inc.; Hornblower & Weeks; and Stone & Webster Securities Corp.) $10,127,350
Mallinckrodt Chemical Works — Preferred
(Newhard, Cook & Co.) $2,000,000
Peninsular Telephone Co. — Common
(Offering to stockholders—underwritten by Morgan Stanley & Co. and Coggeshall & Hicks) 158,203 shares
Philadelphia Electric Co. — Bonds
(Bids noon EST) $50,000,000
Ryder Systems, Inc. — Common
(Blyth & Co., Inc.) 160,000 shares

April 19 (Tuesday)
General Telephone Co. of Michigan — Preferred
(Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp) $5,000,000
Northwest Plastics, Inc. — Common
(Irving J. Rice & Co. and M. H. Bishop & Co.) $300,000

April 20 (Wednesday)
American Electronics, Inc. — Debentures
(Van Alstyne, Noel & Co. and Crowell, Weedon & Co.) $1,250,000
Western Light & Telephone Co., Inc. — Common
(Offering to stockholders—underwritten by Dean Witter & Co.) 57,000 shares

April 21 (Thursday)
Corson (G. & W. H.), Inc. — Common
(Estabrook & Co.; De Haven & Townsend, Crouter & Bodine) 40,000 shares
Pacific Lighting Corp. — Common
(Blyth & Co., Inc.) 600,000 shares

April 25 (Monday)
Astron Corp. — Common
(Van Alstyne, Noel & Co.) $1,000,000
Collins Radio Co. — Preferred
(Offered to common stockholders—underwritten by Kidder, Peabody & Co. and White, Weld & Co.) $6,125,000
Stewart Oil & Gas Co. — Common
(Barrett Herrick & Co., Inc.) $750,000

April 27 (Wednesday)
Clinton Trust Co. — Common
(Offering to stockholders) $200,000
Transcontinental Gas Pipe Line Corp. — Preferred
(White, Weld & Co. and Stone & Webster Securities Corp.) $15,000,000

May 2 (Monday)
Augusta Newspapers, Inc. — Preferred & Common
(Johnson, Lane, Space & Co.)
Dover Corp. — Common
(Cohu & Co.) 106,208 shares

May 10 (Tuesday)
Georgia Power Co. — Bonds
(Bids 11 a.m. EST) $12,000,000
Jersey Central Power & Light Co. — Bonds
(Bids 11 a.m. EST) $20,000,000
New York, Chicago & St. Louis RR. — Eq. Tr. Ctfs.
(Bids to be invited) $4,080,000

May 17 (Tuesday)
Ohio Edison Co. — Bonds
(Bids to be invited) $30,000,000

May 24 (Tuesday)
Alabama Power Co. — Bonds
(Bids 11 a.m. EST) $15,000,000

June 2 (Thursday)
Consolidated Natural Gas Co. — Common
(Offering to stockholders—no underwriting) 738,743 shares

June 3 (Friday)
Illinois Bell Telephone Co. — Common
(Offering to stockholders—no underwriting) 663,469 shares

June 7 (Tuesday)
Central Illinois Electric & Gas Co. — Bonds
(Bids to be invited) $4,000,000
Virginia Electric & Power Co. — Bonds
(Bids to be invited) $25,000,000

September 13 (Tuesday)
Utah Power & Light Co. — Bonds
(Bids to be invited) $15,000,000
Utah Power & Light Co. — Common
(Bids to be invited) 177,500 shares

November 9 (Wednesday)
Southern Co. — Common
(Bids to be invited) 500,000 shares

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—For equipment and working capital. **Business** — Research engineering in electronic and other fields. **Office**—617-33 Brooklyn Ave., Brooklyn 3, N. Y. **Underwriters**—Standard Investing Corp. and Baruch Brothers & Co., Inc., both of New York. **Offering**—Expected early in April.

★ Equitable Securities Co., Indianapolis, Ind. (4/8)
March 24 (letter of notification) 3,000 shares of common stock to be first offered for subscription by common stockholders. **Price**—At par ($50 per share). **Proceeds**—To retire preferred stock and for general corporate purposes. **Underwriter**—City Securities Corp., Indianapolis, Ind.

Farm & Home Loan & Discount Co.
Nov. 29 filed 320,000 shares of class A common stock (par 25 cents), 214,285 shares of class B common stock (par 35 cents) and 300,000 shares of class C common stock (par 50 cents). Price — At par. Proceeds — For working capital. Office—Phoenix, Ariz. Underwriter—None.

★ Fidelity Insurance Co., Mullins, S. C. (4/11)
March 25 (letter of notification) 86,666 shares of common stock (par $1). **Price**—$1.87½ per share. **Proceeds**—To increase capital and surplus. **Underwriters**—McDaniel Lewis & Co., Greensboro, N. C.; Dietenhofer & Heartfeld, Southern Pines, N. C.; and Calhoun & Co., Spartanburg, S. C.

Financial Credit Corp., New York
Jan. 29, 1954 filed 250,000 shares of 7% cumulative sinking fund preferred stock. **Price**—At par ($2 per share). **Proceeds** — For working caiptal. **Underwriter** — E. J. Fountain & Co., Inc., New York.

Flo-Mix Fertilizers Corp., Houma, La.
Feb. 14 filed 585,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To buy equipment and for working capital. **Underwriter** — Tschirn Investment Co., Delta Bldg., New Orleans, La.

Florida Home Insurance Co., Miami, Fla.
March 14 (letter of notification) 3,000 shares of common stock (par $10). **Price**—$24 per share. **Proceeds**—To increase capital and surplus. **Office**—7120 Biscayne Blvd., Miami, Fla. **Underwriter**—None.

Florida Telephone Corp.
March 4 filed 77,350 shares of common stock (par $10) to be offered for subscription by common stockholders of record April 1, 1955, and by certain officers and employees. Price—$13 per share. Proceeds—For construction program. Office—Ocala, Fla. Underwriter—None.

Fort Vancouver Plywood Co., Vancouver, Wash.
Feb. 21 filed 397 shares of common stock. Price—At par ($4,500 per share). Proceeds — For down payment on purchase price of mill facilities and for other expenses. Underwriter—John C. O'Brien, one of the promoters.

★ Founders Mutual Depositor Corp., Denver, Colo.
March 29 filed (by amendment) an additional 15,000 systematic payment plan certificates and 500 fully-paid accumulative plan certificates.

Fruehauf Trailer Co., Detroit, Mich. (4/13)
March 24 filed $15,000,000 of convertible subordinated debentures due April 1, 1975. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for working capital. **Underwriter**—Lehman Brothers, New York, N. Y.

Gair (Robert) Co., Inc.
March 28 (letter of notification) 2,306 shares of preferred stock (par $100) to be offered in exchange for 1,237 shares of first preferred stock (par $100) and 1,069 shares of second preferred stock (par $100) of Great Southern Box Co., Inc. on a share-for-share basis. **Underwriter**—None.

Gem Uranium & Oil Co., Salt Lake City, Utah
Dec. 9 (letter of notification) 11,000,000 shares of capital stock (par one cent). Price—Two cents per share. Proceeds—For exploration and development of oil and uranium properties. Office — 414 Judge Bldg., Salt Lake City, Utah. Underwriter—Utah Uranium Brokers, same city.

General Homes, Inc.
Dec. 15 filed 300,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For plant expansion, new equipment, inventory and working capital. Office—Huntington Station, L. I., N. Y. Underwriter—S. D. Fuller & Co., New York.

● General Telephone Co. of Michigan (4/19)
March 29 filed 100,000 shares of $2.40 cumulative preferred stock (par $50). **Price** — To be supplied by amendment. **Proceeds**—To repay bank loans and for redemption of the outstanding $2.75 cumulative preferred stock. **Underwriter**—Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp., both of New York.

● Gerber Products Co., Fremont, Mich.
March 18 filed 99,914 shares of common stock (par $10) being offered for subscription by common stockholders of record April 6 at the rate of one new share for each 20 shares held; rights to expire on April 25. **Price**—$34 per share. **Proceeds** — For general corporate purposes. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

★ Gillette Co.
March 11 (letter of notification) 4,500 shares of common stock (par $1) to be offered to employees pursuant to Stock Purchase Plan (shares to be purchased by company on the New York Stock Exchange not to exceed an aggregate of $300,000). **Underwriter**—None.

★ Globe Life Insurance Co. of Alabama
March 21 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For capital and surplus. **Office**—32 South Perry St., Montgomery, Ala. **Underwriter** — None, sales to be made through Lawrence W. Williams, President, Twin City, Ga.

● Grammes (L. F.) & Sons, Inc., Allentown, Pa.
Feb. 28 (letter of notification) 1,279 shares of common stock (no par) to be offered for subscription by stockholders. **Price**—$22 per share. **Proceeds**—For plant improvement and other general corporate purposes. **Office**—Jordan and Union Sts., Allentown, Pa. **Underwriter**—None. **Offering**—Withdrawn.

★ Gray Manufacturing Co., Hartford, Conn.
March 14 (letter of notification) 1,350 shares of common stock (par $5). **Price**—At market (estimated at $16 per share). **Proceeds** — To four employees who will acquire them pursuant to stock options. **Office** — 16 Arbor St., Hartford, Conn. **Underwriter**—None.

★ Great Frontier Mining Corp.
March 21 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office**—1320 Continental Bank Bldg., Salt Lake City, Utah. **Underwriter**—J. E. Call & Co., Reno, Nev., and Salt Lake City, Utah.

● Gross Telecasting, Inc. (4/13-14)
March 21 filed 193,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Lansing, Mich. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

Gulf Cities Gas Corp., St. Petersburg, Fla.
Feb. 15 (letter of notification) 31,500 shares of class A stock (par $1). **Price**—$7.75 per share. **Proceeds** — To repay notes and other obligations and for working capital. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York. Letter to be withdrawn; full registration of about 50,000 shares expected. **Offering** — Expected about May 2.

Heliogen Products, Inc.
March 7 (letter of notification) 22,670 shares of common stock (par $1), of which 12,670 shares are being offered for subscription by stockholders up to and including June 15, 1955, and 10,000 shares are to be offered publicly. **Price**—$5 per share. **Proceeds**—For working capital, etc. **Office**—35-10 Astoria Blvd., Long Island City, N. Y. **Underwriter**—Smith & Co., Waterville, Me.

Hobby & Brown Electronic Corp.
Feb. 24 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—To increase inventory and for working capital. **Office**—55 Front St., Rockville Centre, L. I., N. Y. **Underwriter**—W. Harry Young Co., Garden City, L. I., N. Y.

● Holly Uranium Corp., New York (4/11-15)
Feb. 10 filed 900,000 shares of common stock (par one cent). **Price**—$3.50 per share. **Proceeds**—To exercise certain options on properties in Utah and New Mexico. **Underwriter**—Barrett Herrick & Co., Inc. and Franklin, Meyer & Barnett, both of New York.

★ Horseshoe Bend Uranium, Inc.
March 16 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For exploration and development expenses. **Office**—10 West 2nd South, Salt Lake City, Utah. **Underwriters**—James Anthony Securities Corp., New York; Lawrence A. Hays Co., Rochester, N. Y., and Ned J. Bowman Co., Salt Lake City, Utah.

Industrial Hardware Manufacturing Co., Inc.
March 9 filed $3,000,000 of 6% debentures due March 1, 1975, of which $2,596,600 principal amount are to be offered first to stockholders. **Price**—To be supplied by amendment. **Proceeds**—To purchase preferred stock of Hugh H. Eby Co., at par; to purchase real estate, machinery and equipment, etc.; for the acquisition of all common stock of Eby company and to pay certain bank loans and notes payable of Eby. **Underwriters**—Milton D. Blauner & Co., Inc., New York; Hallowell, Sulzberger & Co., Philadelphia; and Baruch Brothers & Co., Inc., New York).

Inland Western Loan & Finance Corp.
Feb. 17 filed 2,500,000 shares of class A non-voting common stock (par $1). **Price**—$1.25 per share. **Proceeds**—To be used as operating capital for its two subsidiaries, and to finance establishment and operation of additional loan and finance offices. **Office**—Phoenix, Ariz. **Underwriter**—None.

Inter American Industries, Inc., New York.
March 25 filed 150,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Baruch Brothers & Co., Inc., New York, on a "best-efforts basis."

★ International Fidelity Insurance Co., Dallas, Tex.
March 30 filed 110,000 shares of common stock (no par). **Price**—$6.50 per share. **Proceeds**—To 12 selling stockholders. **Underwriter**—Name to be supplied by amendment.

★ Investors Insurance Syndicate, Inc.
March 16 (letter of notification) 7,500 shares of class A investment stock and 7,500 shares of class B common stock to be offered in units of 25 shares of each class of stock. **Price**—$1,000 per unit. **Proceeds**—To purchase control of an insurance company. **Office** — 756 West Peachtree St., N. W., Atlanta, Ga. **Underwriter**—None.

Israel Pecan Plantations, Ltd.
Feb. 28 filed 24,900 shares of ordinary common stock (par one Israeli pound). **Price**—$10 per share. **Proceeds**—For capital expenditures. **Underwriter**—None. **Offices**—Natanya, Israel, and New York, N. Y.

Jarmon Properties & Oil Development Corp.
Jan. 17 (letter of notification) 30,000 shares of captal stock. Price—At par ($10 per share). Proceeds—For further exploration and development. Addres—P. O. Box 1109, Wichita Falls, Tex. Underwriter—John A. Aicholt & Associates, 505 Macon St., Fort Worth, Tex., and an other.

★ Junction Bit & Tool Co., Grand Junction, Colo.
March 31 (letter of notification) 33,745 shares of com mon stock (par $1) to be offered for subscription b stockholders at the rate of one new share for each tw shares held. **Price**—$5.35 per share to stockholders; an after 30 days, to public at $6 per share. **Proceeds**—T purchase new plant site and shop building, and to in crease inventory and working capital. **Office** — 80 Fourth Ave., Grand Junction, Colo. **Underwriter**—Taylor & Co., Chicago, Ill.

Justheim Petroleum Co.
Dec. 9 (letter of notification) 2,650,000 shares of com mon stock (par five cents). Price—10 cents per shar Proceeds — For oil and mining expenses. Office—31 Phillips Petroleum Bldg., Salt Lake City, Utah. Under writer—Hunter Securities Corp., New York.

Kentucky Utilities Co., Lexington, Ky.
March 7 filed 190,566 shares of common stock (par $10 being offered for subscription by common stockholder of record March 21 on the basis of one new share fo each 12 shares held; rights expire on April 11. **Price**—$24.75 per share. **Proceeds**—For construction progran **Underwriters**—Blyth & Co. Inc., New York, and J. J. B Hilliard & Son, Louisville, Ky.

★ King Oil Co., Salt Lake City, Utah
March 31 (letter of notification) 260,000 shares of capita stock to be offered for subscription by stockholder **Price**—50 cents per share. **Proceeds**—For developmen and drilling expenses and other corporate purpose **Office** — 28 West Second South, Salt Lake City, Utal **Underwriter**—None.

Laan-Tex Oil Corp., Dallas, Texas
March 9 (letter of notification) 300,000 shares of com mon stock. **Price**—At par ($1 per share). **Proceeds**—T pay outstanding debt and for other general corpora purposes. **Underwriter**—Woods & Co., Houston, Tex.

Lee Finance Co., Minneapolis, Minn.
Nov. 3 (letter of notification) 13,000 shares of preferre stock (par $10) and $170,000 of 8% subordinate not due five years from date of issue. Price—At par. Pr ceeds—To reduce bank loans and for working capita Office—305 Northwestern Federal Bldg., Minneapoli Minn. Underwriter—Daniels & Smith, Inc., same city.

Lee Spring Co., Inc. (4/12)
March 18 (letter of notification) 74,685 shares of con mon stock (par 50 cents). **Price**—$4 per share. **Procee**—For machinery, equipment and working capital. **Bus ness**—Manufactures mechanical coil springs. **Office**— Main St., Brooklyn 1, N. Y. **Underwriters**—S. D. Full & Co., and Vermilye Brothers, both of New York.

★ Liberty Shops, Inc., Meridian, Miss.
March 28 (letter of notification) 500 shares of cumula tive preferred stock. **Price** — At par ($100 per share **Proceeds**—To pay existing accounts and for operatin capital. **Office**—204 — 22nd Ave., Meridian, Miss. **Un derwriter**—None.

● Lindly & Co., Inc., Mineola, N. Y.
March 24 (letter of notification) 200,000 shares of con mon stock (par 10 cents). **Price**—$1.50 per share. **Pr ceeds**—To pay long term loan; to develop and manu facture automatic textile inspection machine; and f working capital; and other general corporate purpose **Office**—248 Herricks Road, Mineola, N. Y. **Underwrit**—Aetna Securities Corp., New York City. **Offering**—Expected today (April 7).

★ Lost Creek Oil & Uranium Co.
March 25 (letter of notification) 2,995,000 shares of con mon stock (par one cent). **Price** — 10 cents per shar **Proceeds**—For mining expenses. **Office**—507 West Spru St., Rawlins, Wyo. **Underwriter**—Carroll, Kirchner Jaquith, Inc., Denver, Colo.

Lucky Lake Uranium, Inc., Salt Lake City, Uta
Feb. 9 (letter of notification) 8,000,000 shares of capit stock. **Price**—At par (two cents per share). **Proceeds** For mining expenses. **Office**—201 Boston Building, Sa Lake City, Utah. **Underwriter**—Kastler Brokerage C same city.

Lucky Strike Uranium Corp.
Jan. 4 (letter of notification) 4,300,000 shares of comm stock (par one cent). Price—Five cents per share. Pr ceeds—For mining operations. Office—38 South Ma St., Salt Lake City, Utah. Underwriter—Seaboard S curities Corp., Washington, D. C.

● Mallinckrodt Chemical Works (4/18-22)
March 29 filed 40,000 shares of cumulative preferr stock, series C ($50 par-convertible). **Price**—To supplied by amendment. **Proceeds**—For construction plant and working capital. **Underwriter** — Newhar Cook & Co., St. Louis, Mo.

Marble Canyon Uranium, Inc.
Feb. 4 (letter of notification) 20,900,000 shares of cor mon stock. **Price**—At par (one cent per share). **Pr ceeds**—For mining operations. **Office**—587 — 11th Av Salt Lake City, Utah. **Underwriter**—Potter Investme Co., same city.

Marine Midland Corp.
March 21 filed 70,000 shares of common stock (par $ to be offered in exchange for all the issued and ou standing capital stock of The Farmers National Bank Trust Co. of Rome, Rome, N. Y., at the rate of five shar of Marine Midland stock for each share of Farmers N tional stock held of record April 8, 1955. The offer subject to acceptance deposit of not less than 80% (11,2 shares) of Farmers National. **Underwriter**—None.

Marlowe Chemical Co., Inc. (4/14-15)
rch 11 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds** for working capital. **Business** — To manufacture and a home unit fire extinguisher. **Office**—17 West 44th New York 36, N. Y. **Underwriter**—General Invest- Corp., New York.

Mascot Mines, Inc., Kellogg, Ida.
. 17 (letter of notification) 200,000 shares of common k (par 35 cents). **Price**—75 cents per share. **Proceeds** for mining expenses. **Underwriter**—Standard Securi- Corp., Spokane, Wash.

Massachusetts Life Fund, Boston, Mass.
rch 31 filed 80,000 shares or units of beneficial inter- in the Fund. **Price**—At market. **Proceeds**—For in- tment.

McRae Oil & Gas Corp., Denver, Colo. (4/13)
rch 24 filed 729,174 shares of common stock (par 10 ts), of which 400,000 shares are to be sold by the npany and 329,174 shares by selling stockholders. ce—$4 per share. **Proceeds**—To repay bank loan of 3,00 and a secured note of $384,000; for acquisition new properties and the drilling of wells; and for er general corporate purposes. **Underwriters**—First ifornia Co., San Francisco, Calif.; and William R. ats & Co., Los Angeles, Calif.

Mechling (A. L.) Barge Lines, Inc., Joliet, Ill.
rch 31 filed $837,252 of instalment note certificates to offered in exchange for the 3,578 shares of authorized l issued common stock of Marine Transit Co. at rate $234 per share. The balance of $1 of a total purchase er price of $235 per share is to be paid in cash. The hange will be contingent upon acceptance of the er by holders of not less than 81% of the Marine nsit shares.

Mercast Corp., New York
rch 30 filed 83,700 shares of capital stock (par 10 ts) to be offered for subscription by stockholders of ord April 21, 1955, at rate of three shares for each shares held. **Price** — To be supplied by amendment. **oceeds** — $300,000 to be advanced to Mercast Mfg. rp., a subsidiary; to finance further development re- ing to the improvement of the company's molding cesses; and the balance to reimburse the company, part, for the acquisition of Alloy Precision Castings , another subsidiary. **Underwriter**—None.

Merritt-Chapman & Scott Corp.
c. 21 filed 3,018,567 shares of common stock (par .50) being offered in exchange for outstanding stock New York Shipbuilding Corp., Devoe & Raynolds , Inc., Newport Steel Corp., Marion Power Shovel , Osgood Co. and Tennessee Products & Chemical rp. on the following basis: 675,549 shares to holders the 540,439 outstanding shares of common stock (par of Tennessee Products & Chemical Corp., at the e of 1¼ shares for each share of common stock of nnessee; 755,105 shares to holders of the 453,063 out- nding shares of class A stock (par $2) of Devoe & ynolds Co., Inc. at the rate of 1⅔ shares for each re of class A stock of Devoe; 242,700 shares to holders the 182,025 outstanding shares of class B common ck (par $1) of Devoe, at the rate of 1⅓ shares for h of class B common stock of Devoe; 1,290,252 shares holders of the 1,290,252 outstanding shares of common ck (par $1) of New York Shipbuilding Corp., at the e of one share for each share of common stock of N. Y pbuilding; 27,907 shares to holders of the 58,605 out- nding shares of common stock (par $1) of Newport Steel rp., not owned by Merritt, at the rate of one share each 2.1 shares of common stock of Newport; 26,114 res to holders of the 17,409 outstanding shares of nmon stock (par $10) of Marion Power Shovel Co., owned by Merritt, at the rate of 1½ shares for h share of common stock of Marion; and 940 shares holders of the 1,410 outstanding shares of class B nmon stock (without par value) of the Osgood Co., owned by Merritt or Marion, at the rate of one share each 1½ shares of class B common stock of Osgood fer will expire on April 15. **Dealer-Manager**—A. C. yn & Co., Inc. for Devoe & Raynolds exchange.

Mesa-Loma Mining Corp., Fort Collins, Colo.
rch 29 (letter of notification) 1,000,000 shares of com- n stock. **Price**—At par (one cent per share). **Pro- eds**—For mining expenses. **Office**—415 Peterson St., rt Collins, Colo. **Underwriter** — Petroleum Finance rp., Oklahoma City, Okla.

Metallics Recovery Corp., Florence, Colo.
rch 14 (letter of notification) 600,000 shares of com- n stock (par five cents). **Price**—50 cents per share. **oceeds**—For general corporate purposes. **Underwriter** Universal Securities Co., New York.

Mi-Ame Canned Beverages Co., Hialeah, Fla.
t. 28 (letter of notification) 200,000 shares of common ck. **Price**—At par ($1 per share). **Proceeds**—To pur- se raw materials and new machinery, and for work- capital. **Underwriter** — Frank D. Newman & Co., ami, Fla.

Micro-Moisture Controls, Inc.
n. 13 (letter of notification) $250,000 of 6⅝% income nvertible debentures (subordinated) due Feb. 1, 1965, be offered initially to stockholders. **Price**—100% of r (in units of $100 or multiples thereof). **Proceeds**— r working capital, etc. **Office**—22 Jericho Turnpike, neola, N. Y. **Underwriter**—None.

Military Investors Financial Corp.
c. 1 (letter of notification) 150,000 shares of common ck (par 25 cents). **Price**—$2 per share. **Proceeds**— r general corporate purposes. **Office**—2310 Main St., uston, Texas. **Underwriter**—Cobb & Co., Inc., same y.

Millsap Oil & Gas Co., Siloam Springs, Ark.
March 17 (letter of notification) 599,200 shares of common stock (par 10 cents). **Price** — 50 cents per share. **Proceeds**—For oil and gas activities. **Office**—518 Main St., Siloam Springs, Ark. **Underwriter**—Dewitt Investment Co., Wilmington, Del.

★ **Moab Minerals, Inc., Moab, Utah**
March 28 (letter of notification) 30,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds** — For mining expenses. **Office** — Archer Bldg., Moab, Utah. **Underwriter**—Guss & Mednick, Salt Lake City, Utah.

Mohawk Business Machines Corp.
March 18 (letter of notification) $175,000 of convertible three-year notes. **Price** — At 100% of principal amount. **Proceeds**—To reduce accounts payable and other general corporate purposes. **Office**—944 Halsey St., Brooklyn 33, N. Y. **Underwriter**—None.

★ **Monarch Uranium Co., Salt Lake City, Utah**
March 28 (letter of notification) 15,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office**—430 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Ned J. Bowman Co., same city.

Montezuma Uranium, Inc., Denver, Colo.
Jan. 5 (letter of notification) 3,000,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds**—For exploration and development operations. **Office**—Ernest and Cranmer Bldg., Denver, Colo. **Underwriter**—Investment Service Co., same city.

★ **National Investors Corp., New York**
March 29 filed (by amendment) 500,000 additional shares of capital stock. **Price**—At market. **Proceeds**—For investment.

★ **National Union Life Insurance Co.**
March 22 (letter of notification) 5,000 shares of common stock (par $1). **Price**—$38 per share. **Proceeds**—For expansion and working capital. **Office**—Birmingham, Ala. **Underwriter**—None.

Nevada-Utah Uranium & Oil Corp.
March 18 (letter of notification) 1,175,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Chippewa Securities Corp., 226 West 47th St., New York City.

New Yorker Magazine, Inc.
March 23 (letter of notification) 3,000 shares of common stock (par $1). **Price**—$30.50 per share. **Proceeds**—To Raoul H. Fleischmann, the selling stockholder. **Office** —25 West 43rd St., New York, N. Y. **Underwriter**— Silberberg & Co., New York.

Norden-Ketay Corp., New York
March 16 filed 22,500 shares of common stock issuable pursuant to exercise of 90,000 stock purchase warrants sold to the underwriters of the public offering in 1951 of 400,000 shares of common stock of The Norden Laboratories. The warrant holders are entitled to receive one share of Norden-Ketay stock for each four warrants exercised at $12 per share. **Proceeds**—For general corporate purposes.

★ **Out West Uranium & Oil Co., Denver, Colo.**
Feb. 28 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds** —For mining expenses. **Office**—800 Denver Club Bldg., Denver, Colo. **Underwriter**—None.

● **Pacific Lighting Corp. (4/21)**
March 30 filed 600,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for advances to subsidiaries. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Pacific Northwest Pipeline Corp. (4/11-15)
March 9 filed $17,220,000 of 6% interim notes due June 1, 1957 and 287,000 shares of common stock (par $1) to be offered in units of $60 principal amount of notes and one share of stock. **Price**—To be supplied by amendment (expected to be $70 per unit). **Proceeds**—Together with other funds, to finance construction of a 1,466 mile natural gas pipe line between Ignacio, Colo., and Sumas, Wash. on the Canadian border. **Underwriters** — White, Weld & Co.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp. Financing plans also include offering to present stockholders of 1,549,100 shares of common stock $10 per share, without underwriting.

● **Pan American Sulphur Co., Dallas, Texas**
March 18 filed $4,651,200 of subordinated debentures, due April 1, 1967 (convertible until April 1, 1964) being offered for subscription by stockholders of record April 6 at rate of $100 debentures for each 40 shares of stock held; rights to expire April 20. **Price**—At 100% of principal amount. **Proceeds**—For working capital. **Underwriters**—Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co., both of New York. **Offering** — Expected to be made today (April 7).

★ **Payrock Uranium Mining Corp.**
March 28 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds** — For mining operations. **Office** — 901 Texas Ave., Grand Junction, Colo. **Underwriter** — Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

Peninsular Telephone Co., Tampa, Fla. (4/18)
March 25 filed 158,203 shares of common stock (no par) to be offered for subscription by common stockholders of record April 15 on the basis of one new share for each five held; officers and employees to be entitled to purchase any unsubscribed shares. Rights will expire on May 2. **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriters**—Morgan Stanley & Co. and Coggeshall & Hicks, both of New York.

Petro-Minerals, Inc., Houston, Tex.
March 15 filed 500,000 shares of capital stock (par 10 cents), of which 195,714 shares are to be offered by company and 304,286 shares by a selling stockholder, to be offered for subscription by stockholders and warrant holders of Johnston Oil & Gas Co. of record April 1 on the basis of one new share for each four shares of Johnston Oil stock held (or represented by warrants held). Johnston Oil has agreed to purchase any company shares not purchased by other Johnston Oil stockholders. **Price** —$1 per share. **Proceeds**—For geological and other expenses, and for other general corporate expenses. **Underwriter**—None.

Philadelphia Electric Co. (4/18)
March 29 filed $50,000,000 of first and refunding mortgage bonds, due 1985. **Proceeds**—To redeem $30,000,000 of 3⅞% bonds presently outstanding and to help finance construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co. and Drexel & Co. (jointly); Kuhn, Loeb & Co. and Union Securities Corp. (jointly); White, Weld & Co. **Bids**—Expected to be received up to noon (EST) on April 18.

Public Service Co. of Indiana, Inc. (4/14)
March 18 filed 202,431 shares of 4.20% cumulative preferred stock, par $100 (convertible into common stock after July 1, 1956) to be offered for subscription by common stockholders of record April 13 on the basis of one preferred share for each 21 shares of common stock held; rights to expire on May 9. **Price**—$105 per share. **Proceeds**—For repayment of bank loans and for property additions. **Underwriter**—None.

Public Service Electric & Gas Co.
Dec. 22 filed 250,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans and for construction program. **Underwriters**—Morgan Stanley & Co.; Drexel & Co.; and Glore, Forgan & Co. **Offering** — Temporarily delayed.

Pyramid Life Insurance Co., Charlotte, N. C.
Feb. 15 filed 250,000 shares of capital stock (par $1) to be offered for subscription by common stockholders of record March 1, 1955 on the basis of one new share for each three shares held. Any shares remaining unsubscribed 30 days following date of mailing of warrants will be disposed of through the company's executive committee. **Price**—$3.75 per share. **Proceeds**—To expand business. **Underwriter**—None.

Revere Realty, Inc., Cincinnati, Ohio
March 8 filed $1,000,000 of 5½% cumulative convertible debentures due Jan. 1, 1980 and 25,000 shares of common stock (no par). **Price**—Par for debentures and $100 per share for stock. **Proceeds** — To purchase real estate or interest therein. **Underwriter**—Stanley Cooper Co., Inc., Cincinnati, O.

Ritter Finance Co., Inc., Syncote, Pa.
Feb. 24 filed 4,000 shares of 5½% cumulative preferred stock, third series (par $50) and 40,000 shares of class B common stock (par $1) to be offered in units of one preferred share and 10 class B shares. **Price**—$75 per unit. **Proceeds**—To reduce bank loans and for working capital. **Underwriter**—None.

● **Ryder System, Inc., Miami, Fla. (4/18)**
March 28 filed 160,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To repay debt to Great Southern Trucking Co., for equity investment in Ryder Truck Rental System, Inc.; for working capital; and expansion of Ryder System and its subsidiaries. **Underwriter**—Blyth & Co., Inc., New York.

San Miguel Uranium Mines, Inc.
Jan. 6 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds** — For mining operations. **Office** — Mineral Bldg., Grand Junction, Colo. **Underwriter** — Tellier & Co., Jersey City, N. J.

★ **Santa Fe Western Gas & Uranium Corp.**
Feb. 25 (letter of notification) 74,981 shares of common stock (par one cent). **Price**—$1.06¼ per share. **Proceeds** —For working capital. **Office**—1022 Park S.W., Albuquerque, N.M. **Underwriters** — Edward V. Otis, Alfred Kruhm, Hunter Securities Corp. and Greene & Co., all of New York City; and Lawrence A. Hayes, Rochester, N. Y.

★ **Santa's Workshop of Colorado, Inc.**
March 1 (letter of notification) $240,000 of 10-year 5% promissory notes and 60,000 shares of class B common stock (par $1) to be offered in units of $400 of notes and 100 shares of stock. **Price**—$500 per unit. **Proceeds**—For working capital, etc. **Address**—c/o Wesley R. Spurry, Pine Cliff Ranch, Sedalia, Colo. **Underwriter**—None.

Savannah Electric & Power Co. (4/14)
March 17 filed 165,000 shares of common stock (par $10), of which 65,000 shares are to be offered for sale by the company and 100,000 shares by the Donner Family Trusts and Donner Foundation, Inc. **Price**—To be supplied by amendment. **Proceeds** — To repay bank loans and for new construction. **Underwriters**—The First Boston Corp. and Stone & Webster Securities Corp., both of New York.

★ **Silver Creek Precision Corp.**
March 31 filed $600,000 of 10-year convertible 6% debentures due June 30, 1965. **Price**—At 100% of principal amount (in denominations of $100 each). **Proceeds**— For working capital and general corporate purposes. **Office**—Silver Creek, N. Y. **Underwriter**—General Investing Corp., New York.

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Silver Pick Uranium, Inc., Reno, Nev.
Nov. 22 (letter of notification) 2,994,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds**—For exploration and development costs. **Office**—211-206 N. Virginia Street, Reno, Nev. **Underwriter**—Western Securities Corp., Las Vegas, Nev.

★ **Sinclair Oil Corp.**
April 1 filed $12,000,000 of participations in the Employees Savings Plan of this corporation, and 200,000 shares of common stock which may be purchased pursuant to the plan.

Sinclair Oil Corp., New York
March 7 filed 337,830 shares of common stock (no par) being offered in exchange for shares of capital stock of Venezuelan Petroleum Co. in the ratio of five shares of Sinclair stock for each eight shares of Venezuelan stock tendered for exchange. The offer will expire on April 21 and is subject to deposit of at least 450,000 shares with Chemical Corn Exchange Bank, New York City.

Slick Rock Uranium Development Corp.
Oct. 8 (letter of notification) 2,900,000 shares of common stock (par five cents), including shares for option to underwriter and prior property owner to be amended. **Price**—10 cents per share. **Proceeds**—For development and exploration expenses. **Office**—Newhouse Hotel, Salt Lake City, Utah. **Underwriter** — Van Blerkom & Co., same city.

Solomon Uranium & Oil Corp., Inc.
Oct. 7 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining expenses. **Offices** — 506 Beason Bldg., Salt Lake City, Utah, and 1016 Baltimore Bldg., Kansas City, Mo. **Underwriter**—E. R. Bell & Co., Kansas City, Mo.

Southeastern Public Service Co.
Jan. 24 (letter of notification) 28,000 shares of common stock (par 10 cents) being offered in exchange for Hamilton Gas Corp. capital stock (par $1) on the basis of 3½ Southeastern shares for each Hamilton share. This offer shall terminate when offer shall have been accepted by Hamilton stockholders owning not in excess of 8,000 shares of Hamilton stock. **Office**—70 Pine St., New York 5, N. Y. **Underwriter**—None.

● **Southern States Oil Co.** (4/11-15)
Feb. 25 filed 250,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For further exploration and development of properties, for drilling costs and for acquisition of interests in other oil companies. **Office** — Laurel, Miss. **Underwriter** — Gordon Graves & Co., Inc., New York.

Southern Union Oils, Ltd.
Feb. 16 filed 1,211,002 shares of common stock (par $1) of which 511,002 shares are being offered for subscription by existing stockholders on a basis of one new share for each share held. as of March 15; rights to expire on April 12. **Price** — To stockholders, 50 cents per share; and to public, at a market price to be equivalent to last sale on Toronto Stock Exchange—65c-75c (ex-rights) per share. **Proceeds**—For exploratory and developmental expenses; for possible acquisition of additional oil and gas interests; and to meet current liabilities. **Office**—Toronto, Canada. **Underwriter** — Willis E. Burnside & Co., Inc., New York.

★ **Sovereign Investors, Inc., Philadelphia, Pa.**
April 4 filed (by amendment) 100,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ **Standard Veneer & Timber Co.**
March 17 (letter of notification) $300,000 of 6% 10-year series A debentures to be offered for sale to shareholder-employees. **Price**—At 100% (in denominations of $100 each). **Proceeds**—For working capital and general corporate purposes. **Address**—P. O. Box 578, Crescent City, Calif. **Underwriter**—None.

● **Stewart Oil & Gas Co.** (4/25-29)
March 14 filed 750,000 shares of common stock (par 10¢). **Price**—$1 per share. **Proceeds**—To repay bank loan, and for development of properties and other activities incident to oil and gas operations. **Office** — San Angelo, Texas. **Underwriter**—Barrett Herrick & Co., Inc., New York.

★ **Summit Finance, Inc.**
March 16 (letter of notification) $50,000 of 6% cumulative deferred debentures. **Price**—At par. **Proceeds**—For working capital. **Business**—Small loans. **Office**—447 Springfield Ave., Summit, N. J. **Underwriter**—None.

Sun Hotel, Inc., Las Vegas, Nev.
Feb. 16 filed 760,000 shares of pfd. capital stk. (par $9.50) and 1,540,000 shares of common capital stock (par 25 cents), of which 680,000 shares of preferred and 1,360,000 shares are to be offered in units of one preferred and two common shares; the remaining 80,000 shares of preferred stock and 180,000 shares of common stock may be exchanged for properties. **Price**—$10 per unit. **Proceeds**—To purchase property; for construction of hotel; and for working capital. **Underwriter**—Coombs & Co., Salt Lake City, Utah.

Sunshine Park Racing Association, Inc. (Fla.)
Nov. 18 filed $700,000 of 6% convertible sinking fund debentures due 1966 and 70,000 shares of common stock (par 10 cents). **Price** — 100% and accrued interest for debentures and $2 per share for stock. **Proceeds**—To repay bank loans, for new construction and for working capital. **Underwriter**—Gulf-Atlantic, Inc., Tampa, Fla.

Swedes Uranium Corp., Salt Lake City, Utah
Jan. 5 (letter of notification) 2,500,000 shares of common stock (par three cents). **Price**—10 cents per share. **Proceeds**—For exploration and development expenses. **Office**—Newhouse Bldg., Salt Lake City, Utah. **Underwriter**—Guss & Mednick Co., same city.

★ **Terlingua Mercury Corp.**
March 5 (letter of notification) 300,000 shares of common stock (par two cents). **Price**—$1 per share. **Proceeds**—For working capital. **Underwriter** — Gulf Securities Co., Houston, Texas.

★ **Texas-Illinois Gas & Electric Co.**
April 4 filed 50,000 shares of common stock (par $1) to be reserved for issuance under company's Employee Stock Purchase Plan.

Texas International Sulphur Co.
June 21 filed 455,000 shares of common stock (par 10 cents), of which 385,000 shares are to be offered for subscription by common stockholders at the rate of one new share for each 4½ shares held; and 70,000 shares are for account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For exploration and drilling, and payment of bank loans and advances. **Underwriter**—Vickers Brothers, New York, on a "best efforts" basis.

Texboard, Inc., Dallas, Texas
Jan. 17 filed $1,500,000 of 6% series A debentures due serially from Feb. 1, 1957 to Aug. 1, 1961, and $1,000,000 of 6% series B convertible debentures due serially from Feb. 1, 1962 to Aug. 1, 1966. **Price**—To be supplied by amendment. **Proceeds**—To construct and operate a manufacturing plant near Orange, Tex., for the purpose of manufacturing insulation building products. **Underwriter**—Emerson Cook Co., Palm Beach, Fla.

★ **Thorburg Uranium Mines, Inc., Grand Junction, Colo.**
Feb. 25 (letter of notification) 100 shares of common stock (no par). **Price**—$1,050 per share. **Proceeds**—For mining operations. **Office**—160 West Main St., Grand Junction, Colo. **Underwriters**—B. V. Christie & Co. and Crockett & Co., both of Houston, Tex.

Thunderbird Uranium Co., Reno, Nev.
Aug. 3 (letter of notification) 1,800,000 shares of common stock (par 10 cents). **Price** — 15 cents per share. **Proceeds**—For mining activities. **Office**—206 N. Virginia St., Reno, Neb. **Underwriter**—Stock, Inc., Salt Lake City.

Tip Top Uranium & Oil, Inc., Denver, Colo.
Feb. 1 (letter of notification) 30,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—1122 Mile High Center, Denver 2, Colo. **Underwriter**—Robert W. Wilson, 1717 East Colfax Ave., Denver, Colo.

Topp Industries, Inc., Los Angeles, Calif.
March 9 filed 153,500 shares of common stock (par $1), of which 139,500 shares are to be offered publicly. **Price**—To be supplied by amendment. **Proceeds**—For prepayment of rentals; $46,000 to retire outstanding $10 par preferred stock; to purchase substantially all of the assets of Standard Electronics Manufacturing Co.; for leasehold improvements; to purchase one-half interest in parking area presently leased from Gira Co.; and for working capital, etc. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Trans-Continental Uranium Corp.
Oct. 1 (letter of notification) 2,990,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For exploration and development costs. **Office**—358 S. 3rd St. East, Salt Lake City, Utah. **Underwriter**—Western Securities Corp., same city.

Transcontinental Gas Pipe Line Corp. (4/27)
March 29 filed 150,000 shares of cumulative preferred stock (no par—stated value $100 per share). **Price**—To be supplied by amendment. **Proceeds** — To finance part of 1955 construction program. **Underwriters**—White, Weld & Co. and Stone & Webster Securities Corp., both of New York.

★ **Typhoon Prop-R-Temp Corp.**
March 17 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For working capital, equipment and expansion. **Office**—113 E. Buffalo Ave., Tampa, Fla. **Underwriter**—None.

Union Club, Inc., Hollywood, Calif.
March 1 filed 30,000 shares of preferred stock (par $50) and 100,000 shares of common stock (par $10) to be offered in units of three preferred and 10 common shares. **Price**—$400 per unit. **Proceeds**—For purchase of property, construction of hotel, athletic and health facilities, and working capital. **Underwriter**—None, but sales will be made through agents.

★ **Union Uranium Co., Denver, Colo.**
March 2 (letter of notification) 10,650,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office** — 230 East 19th Ave., Denver, Colo. **Underwriter**—J. W. Hicks & Co., same city.

★ **U. S. Electro-Board, Inc., Denver, Colo.**
Feb. 23 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For expansion and working capital. **Office**—520 Empire Bldg., Denver, Colo. **Underwriters**—Fidelity Securities Corp., Denver, Colo., and Justin Steppler, Inc., New York, N. Y. **Offering**—Now being made.

U. S. Igniter Corp., Philadelphia, Pa.
March 18 (letter of notification) 100,000 shares of class A common stock (par 50 cents). **Price** — $3 per share. **Proceeds**—To pay debt, buy equipment and machinery and for working capital. **Business**—Manufactures a new type of spark plug. **Underwriter** — Allen E. Beers Co., Philadelphia, Pa.

★ **United Oil & Gas Co., Inc.**
March 1 (letter of notification) 150,000 shares of common stock (par $1) to be offered in exchange for oil and gas leases at rate of $50 par value of stock for each acre of oil and gas leasehold. **Office**—503 Central Ave., N. E., Albuquerque, N. M. **Underwriter**—None.

United Uranium Corp., Denver, Colo.
Jan. 26 (letter of notification) 4,133,329 shares of common stock (par one cent), of which 2,133,329 shares are covered by an offer of rescission to 37 shareholders at three cents per share; and 2,000,000 shares are to be publicly offered at 10 cents per share. **Proceeds**—For mining expenses. **Underwriter**—John L. Donahue, 430 16th Street, Denver 2, Colo.

Universal Finance Corp., Dallas, Texas
Feb. 16 (letter of notification) 27,000 shares of 70-cent cumulative preferred stock (no par) and 27,000 shares of common stock (par 15 cents) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds** — For working capital. **Underwriter** — J. F. Perkins & Co., Dallas, Texas.

Vada Uranium Corp., Ely, Nev.
Jan. 17 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 15 cents per share. **Proceeds**—For mining expenses. **Office**—280 Aultman St., Ely, Nev. **Underwriter**—Bristol Securities Co., Fall River, Mass.

Vandersee Corp.
March 10 (letter of notification) 200,000 shares of Class A stock (par $1). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Office**—1416 Chestnut Ave., Hillside, N. J. **Underwriter**—None.

Webster Uranium Mines, Ltd., Toronto, Canada
Dec. 30 (regulation "D") 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Underwriter**—James Anthony Securities Corp., New York. **Offering**—Expected in two or three weeks.

Wenga Copper Mines, Inc., N. Y.
Nov. 18 (Regulation "D") 900,000 shares of common stock (par five cents). **Price**—30 cents per share. **Proceeds**—For general corporate purposes. **Underwriter**—Willis E. Burnside & Co., New York.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20, 1952 filed $29,000,000 12-year 6% debentures due Dec. 15, 1964, and 580,000 shares of common stock (par 50 cents) to be offered in units of one $50 debenture and one share of stock. **Price**—To be supplied by amendment. **Proceeds**—From sale of units and 1,125,000 additional shares of common stock and private sales of $55,000,000 first mortgage bonds to be used to build a 1,030 mile crude oil pipeline. **Underwriters** — White, Weld & Co. and Union Securities Corp., both of New York. **Offering**—Postponed indefinitely.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20, 1952 filed 1,125,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, to be used to build pipeline. **Underwriters**—White, Weld & Co. and Union Securities Corp., both of New York. **Offering**—Postponed indefinitely.

Western Hills Inn, Fort Worth, Texas
Jan. 31 filed 200,000 shares of capital stock (no par). **Price**—$5 per share. **Proceeds**—Together with other funds, to construct, furnish and equip hotel to be built between Dallas and Fort Worth, Texas. **Underwriter**—Schwanz & Co., Inc., Aurora, Ill.

● **Western Light & Telephone Co., Inc.** (4/20)
March 30 filed 57,000 shares of common stock (par $10) to be offered for subscription by common stockholders at rate of one new share for each seven shares held as of April 15. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans and for new construction. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

★ **Whitehall Fund, Inc., New York**
March 29 filed (by amendment) 200,000 additional shares of capital stock. **Price**—At market. **Proceeds**—For investment.

Wilrich Petroleum, Ltd., Toronto, Canada
March 24 filed 2,000,000 shares of capital stock (par $1), of which 1,000,000 shares are to be issued in payment for certain properties to be acquired from American Trading Co., Ltd. who will purchase the remaining 1,000,000 shares for $455,000. **Proceeds**—For exploration and development costs and working capital. **Underwriter**—None.

★ **Wind River Uranium Co., Salt Lake City, Utah**
Feb. 25 (letter of notification) 26,750,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—Suite 201, 65 East 4th South, Salt Lake City, Utah. **Underwriter**—Guss and Mednick Co., same city.

Winfield Mining Co., Moab, Utah.
Jan. 20 (letter of notification) 500,000 shares of common stock (par five cents). **Price**—20 cents per share. **Proceeds**—For mining expenses. **Office**—M. L. C. Bldg., P. O. Box 648, Moab, Utah. **Underwriter**—Security Uranium Service, K. O. V. O. Bldg., Provo, Utah.

★ **Wisconsin Investment Co., Milwaukee, Wis.**
April 4 filed (by amendment) 300,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ **W. J. Management Co., Chicago, Ill.**
March 25 (letter of notification) 10,000 shares of common stock (par $10) to be offered only to employees of Wilson-Jones Co. and its subsidiaries. **Price** — $14 per share. **Office**—209 So. Jefferson St., Chicago, Ill. **Underwriter**—None.

★ **W & M Oil Co., Lincoln, Neb.**
Feb. 25 (letter of notification)225,000 shares of common stock (par $1). **Price**—$1.30 per share. **Proceeds**—For oil and mining activities. **Office**—116 S. 15th St., Lincoln, Neb. **Underwriter** — None. J. Keith Walker is President.

Woman's Income Fund, Inc., Baltimore, Md.
Jan. 28 filed 500,000 shares of capital stock. **Price**—At market. **Proceeds**—For investment. **Underwriter**—Income Managers Inc., New York, which is under the direction of its President, Pierre A. DuVal, of DuVal's Consensus Inc.

Woodland Oil & Gas Co., Inc.
Dec. 21 (letter of notification) 299,900 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For equipment, drilling expenses and working capital. **Office**—42 Broadway, New York, N. Y. **Underwriter**—E. M. North Co., Inc., same address.

● **Woodward & Lothrop, Inc. (4/12)**
March 18 filed 30,000 shares of common stock (par $10). **Price** — To be supplied by amendment. **Proceeds**—For reduction of bank loans and working capital. **Office**—Washington, D. C. **Underwriter**—Alex. Brown & Sons, Baltimore, Md.

Wy-Okla Oil & Uranium Co., Denver, Colo.
March 29 (letter of notification) 3,000,000 shares of common stock (par two cents). **Price** — 10 cents per share. **Proceeds** — For mining expenses. **Office** — 804 Denver Club Bldg., Denver, Colo. **Underwriter**—Carroll, Kirchner & Jacquith, Inc., Denver, Colo., and Robert R. Baker & Co., Inc., Fort Collins, Colo.

Wynn Pharmacal Corp.
Dec. 23 (letter of notification) 85,000 shares of class B common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For production, development and sale of company's products, working capital and other corporate purposes. **Office**—5119 West Stiles St., Philadelphia, Pa. **Underwriter**—Charles A. Taggart & Co., same city.

Wyoming Minerals Corp., Thermopolis, Wyo.
Feb. 16 (letter of notification) 250,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To pay current bills and purchase equipment and supplies. **Underwriter**—H. P. Jesperson, 2111 Nicholas St., Omaha, Neb.

Prospective Offerings

Alabama Power Co. (5/24)
Dec. 30 it was announced company plans to issue and sell $15,000,000 first mortgage bonds due 1985. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Union Securities Corp., Equitable Securities Corp. and Drexel & Co. (jointly); The First Boston Corp.; Lehman Brothers; Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on May 24. **Registration**—Scheduled for April 27.

Alleghany Corp.
Feb. 10 company offered 1,367,440 shares of 6% convertible preferred stock (par $10) in exchange for the outstanding 136,744 shares of 5½% cumulative preferred stock, series A (par $100) on the basis of ten shares of 6% stock for each 5½% preferred share held. **Dealer-Manager**—Kidder, Peabody & Co., New York.

American Telephone & Telegraph Co.
Feb. 16 directors voted to recommend to stockholders that they authorize a new issue of not to exceed $650,000,000 convertible debentures at their annual meeting to be held on April 20. When issued, each stockholder would receive rights to purchase the debentures in proportion to his holdings of stock (probably on the basis of $100 of debentures for each eight shares of stock held). **Underwriter**—None.

American Trust Co., San Francisco, Calif.
March 22 it was announced stockholders will vote April 7 on increasing the authorized capital stock (par $10) from 2,500,000 shares to 3,500,000 shares to provide for an offering to stockholders on the basis of one new share for each four shares held. There are now 2,225,000 shares presently outstanding. **Underwriter** — May be Blyth & Co., Inc., San Francisco, Calif.

Baltimore & Ohio RR.
Feb. 10 company received ICC exemption from competitive bidding of up to $345,000,000 of new securities. **Proceeds**—For refunding. **Underwriter**—Feb. 16, Howard E. Simpson, President, announced Glore, Forgan & Co., Halsey, Stuart & Co. Inc. and Alex. Brown & Sons have been engaged to continue studies and formulate plans looking towards a simplification of the railroad's debt structure and a reduction in over-all interest costs.

★ **Braniff Airways, Inc.**
April 4, Charles E. Beard, President, announced that the company plans the sale to its stockholders of approximately $6,000,000 of common stock on a pro rata basis. **Proceeds**—From sale of stock, together with funds from a $15,000,000 long-term institutional loan, to be used to finance the purchase of seven DC-7C aircraft which are scheduled for delivery in 1956 or early 1957. **Underwriter**—Probably E. Eberstadt & Co., Inc., New York.

Bridgeport Hydraulic Co.
March 7 it was reported company plans to offer 22,638 additional shares of common stock (no par) to its stockholders on a 1-for-8 basis. **Underwriter**—Smith, Ramsay & Co., Inc., Bridgeport, Conn. **Offering** — Expected in June.

Central Illinois Electric & Gas Co. (6/7)
March 28 it was reported company plans to issue and sell $4,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Kidder, Peabody & Co. **Bids**—Expected to be received on June 7. **Registration**—Planned for May 6.

Central Maine Power Co.
Dec. 31, W. F. Wyman, President, stated that company plans to issue and sell some additional common stock, par $10 (probably to stockholders) in the latter part of 1955. **Proceeds**—For construction program. **Underwriter**—May be determined by competitive bidding. Probable bidders: The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly).

Chicago Corp.
Feb. 14 it was announced company plans to offer to its common stockholders the right to subscribe for one new share of common stock for each five shares held. Stockholders will vote April 29 on increasing authorized common stock from 4,000,000 to 5,000,000 shares. **Price**—To be determined shortly before offering is made. **Proceeds**—For new construction and general corporate purposes. **Underwriter** — May be Glore, Forgan & Co., Chicago, Ill.

Citizens & Southern National Bank, Savannah, Ga.
March 8 it was reported stockholders will vote April 12 on approving a proposed offering for a period of 30 days of 200,000 shares of capital stock (par $10) to stockholders on the basis of two new shares for each seven shares held. **Price**—$30 per share. **Proceeds**—To increase capital and surplus.

★ **Clinton Trust Co., New York (4/27)**
April 1 it was announced stockholders will vote April 27 on increasing the authorized capital stock (par $10) from 120,000 shares to 130,000 shares, the additional 10,000 shares to be offered for subscription by stockholders of record April 15 on the basis of one new share for each 12 shares held; rights to expire on May 20. **Price**—$20 per share. **Proceeds**—To increase capital and surplus. **Office**—857 Tenth Ave., New York, N. Y.

Commonwealth Edison Co.
Jan. 24, Willis Gale, Chairman, announced it should be Fall before the company undertakes its next financing. **Proceeds**—For new construction, which, it is estimated, will cost about $125,000,000 in 1955. **Underwriters**—For last equity financing were The First Boston Corp. and Glore, Forgan & Co.

Community Telephone Co. of Wisconsin
March 28 it was reported company plans to issue and sell (to residents of Wisconsin) 14,000 shares of 5¾% cumulative preferred stock (par $25). **Underwriters**—Loewi & Co., Milwaukee, Wis.; and Bell & Farrell, Inc., Madison, Wis.

● **Consolidated Natural Gas Co. (6/2)**
March 17 the directors approved a plan for offering up to 738,743 additional shares of capital stock for subscription by stockholders on the basis of one new share for each 10 shares held. The offering is tentatively scheduled for early in June. **Proceeds**—Principally to repay outstanding bank loans. **Underwriter**—None.

Consolidated Uranium Mines, Inc.
July 23 stockholders authorized the issuance and sale of not to exceed $6,000,000 convertible debenture bonds in connection with the acquisition of Uranium Mines of America, Inc. stock. Public offering of $2,000,000 bonds expected early in 1955. **Underwriter** — Tellier & Co., Jersey City, N. J.

Continental Can Co., Inc.
March 25 it was announced preferred stockholders will vote April 18 on approving creation of not to exceed an additional $25,000,000 of debentures or other indebtedness maturing later than one year after the date thereof. **Underwriters**—Goldman, Sachs & Co. and Lehman Brothers, both of New York.

★ **Cutter Laboratories, Berkeley, Calif.**
April 1 it was announced company plans, following a proposed reclassification of 524,261 shares of outstanding common stock into 524,261 shares of limited voting common stock and 524,261 shares of voting common stock, to sell some additional limited voting common stock. **Proceeds**—To reduce bank loans, reimburse working capital for acquisitions made and for expansion program. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Detroit Edison Co.
Jan. 21 it was announced stockholders on May 2 will vote on authorizing about $60,000,000 of convertible debentures. Previous offer of convertible debentures was made to stockholders without underwriting.

Doman Helicopters, Inc.
Feb. 17 Donald S. B. Waters, President, announced stockholders voted to increase authorized capital stock from 1,000,000 shares to 3,000,000 shares in anticipation of expansion of the company's activities. **Underwriter**—Previous financing handled by Greene & Co., New York.

Florida Power Corp.
Dec. 31 it was reported company plans to offer to its stockholders about 232,000 additional shares of common stock on a 1-for-10 basis in May or June 1955. **Underwriters**: Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane.

Florida Power Corp.
Dec. 31 it was reported company may issue and sell late in 1955 about $10,000,000 of first mortgage bonds. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); Glore, Forgan & Co.; and The First Boston Corp.

Ford Motor Co., Detroit, Mich.
March 15 it was reported that following a probable 10-for-1 stock split, an offering of approximately 4,000,000 new shares will be made to the public. **Price**—Expected to be around $60 per share. **Proceeds** — To the Ford Foundation. **Offering**—Probably in June.

★ **Freedom Insurance Co., Berkeley, Calif.**
March 28 it was reported that company (in process of organization) plans to sell initially a minimum of $2,000,000 of capital stock at $22 per share. **Business** — To write casualty, fire and allied coverage. **President**—Ray B. Wiser, 2054 University Ave., Berkeley, Calif.

● **Frito Co.**
March 23 it was reported company plans early registration of 127,500 shares of common stock, of which 27,500 shares are to be sold by the company and the remainder by certain stockholders. **Proceeds**—For general corporate purposes. **Price**—Expected at $10 per share. **Underwriter**—Dittmar & Co., San Antonio, Tex.

General Controls Co., Glendale, Calif.
March 16 the stockholders voted to approve a plan to increase the authorized preferred stock from 60,553 shares to 260,553 shares. It is planned to issue a portion of the new shares to defray in part the purchase of the Controls and Instrument Division of Perfex Corp. **Underwriters** — Last preferred stock offering was handled by Wagenseller & Durst, Inc., and Lester, Ryons & Co., both of Los Angeles, Calif.

General Telephone Co. of California
Dec. 15 company applied to California P. U. Commission for authority to issue and sell 200,000 shares of 4½% preferred stock (par $20). **Proceeds**—To repay bank loans and for expansion program. **Underwriters**—May be Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; and Mitchum, Jones & Templeton.

● **Georgia Power Co. (5/10)**
April 4 company sought SEC approval to issue and sell $12,000,000 of first mortgage bonds due 1985. **Proceeds**—To retire bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers; Union Securities Corp. and Equitable Securities Corp. (jointly); Morgan Stanley & Co.; Kuhn, Loeb & Co.; Shields & Co. and Salomon Bros. & Hutzler (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on May 10. **Registration**—Scheduled for April 13.

Giddings & Lewis Machine Tool Co.
Feb. 15, the stockholders approved a proposal to increase the authorized common stock (par $2) from 400,000 shares (360,000 shares outstanding) to 750,000 shares, in order to have additional shares which would be available for acquisition of any business, increased working capital, plant expansion or exchange of shares in other companies. **Underwriter** — Previous financing handled by Hornblower & Weeks and associates.

Given Manufacturing Co.
March 3 it was reported that company may do some financing in connection with acquisition of Gasinator Mfg. Co., Cleveland, O. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill.

Gulf Cities Gas Corp.
Jan. 17, D. L. Alberty, Executive Vice-President, announced that the company will have another stock issue in the near future. **Proceeds**—For expansion. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York, handled previous financing.

Hammermill Paper Co.
Feb. 25 it was announced stockholders will vote May 10 on increasing the debt authority to $20,000,000. **Underwriter**—A. G. Becker & Co. (Inc.), Chicago, Ill.

Hartford Gas Co.
March 15 stockholders approved the proposed issuance and sale of $1,500,000 convertible debentures due 1965 first to preferred and common stockholders at rate of $25 principal amount of debentures for each three shares held. **Underwriter**—None. **Offering**—Expected in May or June, 1955.

Hartford Special Machinery Co.
Feb. 24 stockholders were to vote to increase the common stock by 25,000 shares to 62,500 shares (par $20), the additional stock probably to be offered to stockholders. **Underwriter**—None.

★ **Humble Sulphur Co. (Texas)**
March 30 it was reported early registration is planned of 500,000 shares of common stock. **Price** — Expected to be about $1.25 per share. **Underwriter**—Garrett & Co., Dallas, Tex.

Illinois Bell Telephone Co. (6/3)
March 29 the company petitioned the Illinois Commerce Commission for authority to issue and sell 663,469 additional shares of common stock to stockholders of record June 3 on the basis of one new share for each six shares held; rights to expire on June 30. American Telephone & Telegraph Co., the parent, owns 99.32% of the presently outstanding stock. **Price**—At par ($100 per share). **Proceeds**—For improvements and additions to property. **Underwriter**—None.

Industrial Raw Materials Corp., New York
Feb. 21 it was reported that offering of 125,000 shares of common stock is soon expected. **Proceeds**—To selling stockholders. **Office**—575 Madison Ave., New York 22, N. Y. **Underwriters**—Milton D. Blauner & Co.; Baruch Brothers & Co.; and Hallowell, Sulzberger & Co.

★ **International Bank of Washington, D. C.**
March 23 it was reported this Bank plans to offer $500,000 additional debenture bonds to the holders of its present outstanding debentures and common stock. **Office**—726 Jackson Place, N.W., Washington, D. C. **Business**—Industrial merchant bankers.

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Iowa Public Service Co.
Feb. 28 directors authorized officers to sell 270,220 additional shares of common stock (par $5) to common stockholders on a pro rata basis. **Price**—To be named later. **Proceeds** — For construction program. **Underwriter** — None. **Offering**—No definite date has been set.

★ **Isthmus Sulphur Co. (Texas)**
March 30 it was reported early registration is planned of an undertermined number of common shares. **Underwriter**—Garrett & Co., Dallas, Tex.

● **Jersey Central Power & Light Co. (5/10)**
April 4 it was announced company plans to issue and sell $20,000,000 first mortgage bonds due 1985. **Proceeds**—To refund $8,000,000 of bonds; repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; Blair & Co. Incorporated; Lehman Brothers; Union Securities Corp., Salomon Bros. & Hutzler and Merrill Lynch. Pierce, Fenner & Beane (jointly); White, Weld & Co.; Kidder, Peabody & Co. **Bids**—Expected to be received up to 11 a.m. (EDT) on May 10.

Jersey Central Power & Light Co.
Feb. 21 it was reported company plans to sell $5,000,000 of preferred stock. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Glore, Forgan & Co. **Offering** — Expected before July 1.

Keystone Wholesale Hardware Co., Atlanta, Ga.
Jan. 27 it was stated that the company plans at a later date to offer additional shares for sale nationally. An offering of 16,666 shares of common stock is presently being made to residents of Georgia only at $3 per share. **Office**—517 Stephens St., S.W., Atlanta, Ga.

Maine Central RR.
March 22 it was announced ICC had dropped its competitive bidding requirement on the proposed sale of $1,700,000 of new 23-year first mortgage collateral bonds due 1978. **Proceeds**—To redeem approximately $1,400,000 of 5% first mortgage divisional bonds which were sold in 1952 through Blair & Co. Incorporated, New York, and Coffin & Burr, Inc., Boston, Mass. May sell these bonds privately.

Maine Central RR.
Feb. 14, E. Spencer Miller, President, said company has not given up the idea of refunding the $17,000,000 5⅛% first mortgage and collateral trust bonds due 1978. Probable bidders for new bonds may include Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; W. C. Langley & Co.; Coffin & Burr, Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Blyth & Co., Inc.; Glore, Forgan & Co.

Majestic Auto Club, Inc.
Aug. 25 it was announced company plans to offer 500,000 shares (par five cents) to the motorist and general public shortly after completion of the current offering of 100,000 shares to service station owners and operators. **Office**—Room 717, 141 Broadway, New York 6, N. Y.

Missouri Pacific RR.
Bids are expected to be received in April for an issue of $3,765,000 equipment trust certificates due 1956-1970. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Blair & Co. Incorporated; Kidder, Peabody & Co.

Missouri Public Service Co.
Feb. 14 it was reported company stockholders will vote March 12 on increasing common stock from 530,000 shares to 2,000,000 shares to provide for a 3-for-1 split-up, and additional stock for future issuance. **Underwriter**—May be Kidder, Peabody & Co., New York.

Murphy (G. C.) Co., McKeesport, Pa.
Feb. 8 it was announced stockholders will on April 12 vote on a proposal to increase the authorized limit of indebtedness from $3,000,000 to $20,000,000. **Proceeds**—For expansion program. **Underwriter** — Merrill Lynch, Pierce, Fenner & Beane, New York, handled preferred stock financing in 1942.

National Co., Inc., Malden, Mass.
March 29 stockholders increased authorized common stock (par $1) from 300,000 shares (260,100 shares outstanding) to 400,000 shares. Joseph H. Quick, President, said it is contemplated that some financing will be arranged during 1955 to provide additional capital in connection with the current expansion program. **Underwriter**—Probably A. C. Allyn & Co. Inc., New York.

National Container Corp.
March 23 it was announced corporation is negotiating for the sale of 250,000 shares of common stock (par $1) and also a second series of $7,000,000 debentures which will carry an annual interest rate of 4½% or 4⅝%. **Proceeds**—To retire bank loans, for expansion program and working capital. **Underwriters** — For debentures, Halsey, Stuart & Co. Inc. and Van Alstyne, Noel & Co.; for stock, Van Alstyne, Noel & Co.

New Orleans Public Service Inc.
Feb. 4 it was announced that company plans this year to issue some first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Blair & Co. Incorporated; The First Boston Corp.; Equitable Securities Corp. and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); and Lehman Brothers.

New York, Chicago & St. Louis RR. (5/10)
Bids are expected to be received by the company on May 10 for the purchase from it of $4,080,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Blair & Co. Incorporated.

New York State Electric & Gas Corp.
March 29 it was announced that the company plans to sell about $21,500,000 of securities this year. The type of securities has not been determined. **Proceeds** — For construction program.

New York Telephone Co.
Jan. 17, Keith S. McHugh, President, announced that the company will have to raise more than $100,000,000 of new capital money to aid in carrying out its expansion and improvement program which will cost approximately $200,000,000. **Underwriter**—For and bonds, to be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.

North Penn Gas Co.
Dec. 17 it was announced 420,000 shares of common stock (par $5) will soon be offered to public. **Price**—To be named later. **Proceeds**—To The Post Publishing Co., publisher of The Boston Post. **Underwriter**—Eastman, Dillon & Co., New York.

Northern Indiana Public Service Co.
Jan. 12, D. H. Mitchell, President, announced that the company plans to raise approximately $12,000,000 of new money (which may be done through sale of preferred and/or common stock). **Underwriters**—Probably Central Republic Co. (Inc.), Blyth & Co., Inc.; and Merrill Lynch, Pierce, Fenner & Beane.

Northern States Power Co. (Minn.)
March 29 it was announced that new capital requirements for 1955 will approximate $31,000,000. Present plans contemplate these funds will be obtained temporarily from short-term bank loans to be repaid from proceeds of the sale of additional bonds late in 1955 or early 1956. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); Smith, Barney & Co.; Lehman Brothers and Riter & Co. (jointly); Glore, Forgan & Co.

Northwest Nitro-Chemicals, Ltd., Alberta, Can.
March 4 company plans to issue and sell publicly debentures and common stock to finance its proposed chemical project. **Underwriter**—Eastman, Dillon & Co., New York.

Northwest Plastics, Inc., St. Paul, Minn. (4/19)
March 22 it was announced that corporation proposes to offer 24,000 shares of common stock. **Price**—Expected to be $12.50 per share. **Proceeds**—To finance fibre glass division producing a complete line of fibre glass boats and cruisers. **Underwriters**—Irving J. Rice & Co., St. Paul, Minn., and M. H. Bishop & Co., Minneapolis, Minn.

Ohio Edison Co. (5/17)
Feb. 24 it was reported company plans issue and sale of $30,000,000 of first mortgage bonds due 1985. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co., White, Weld & Co. and Union Securities Corp. (jointly); The First Boston Corp. **Bids**—Expected to be received on May 17. **Registration**—Scheduled for April 26.

★ **Ohio Water Service Co.**
March 28 it was reported company plans to issue and sell $1,000,000 of first mortgage bonds and $300,000 of additional common stock (the latter to stockholders) in near future. **Proceeds**—To retire bank loans and reimburse the company's treasury for construction expenditures.

Oklahoma Gas & Electric Co.
Feb. 23 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds later this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Equitable Securities Corp.; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); The First Boston Corp.; Kuhn, Loeb & Co.; Harriman Ripley & Co. Inc. and Union Securities Corp. (jointly); Smith, Barney & Co.

Pennsylvania Electric Co.
Feb. 15 it was reported company plans to issue and sell later this year $9,300,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Equitable Securities Corp.; Harriman Ripley & Co., Inc.

Pennsylvania Electric Co.
Feb. 21 it was reported company proposes issuance and sale of $7,500,000 of preferred stock later this year. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kuhn, Loeb & Co.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly); Kidder, Peabody & Co.; The First Boston Corp.; Smith, Barney & Co.; Harriman Ripley & Co. Inc.

People's Finance Corp., Denver, Colo.
Jan. 31 it was reported company plans to issue and sell about $500,000 of 6% convertible preferred stock. **Proceeds**—For expansion. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected in April.

Philadelphia Transportation Co.
March 11 it was announced that the company plans to refinance the outstanding $10,000,000 Market Street Elevated Passenger Ry. Co. first mortgage 4% bonds which mature on May 1, 1955. **Underwriter** — Drexel & Co., Philadelphia, Pa.

★ **Potomac Electric Power Co.**
March 19 it was announced stockholders will vote April 15 on increasing the authorized common stock from 5[...] 500,000 shares to 10,000,000 shares. **Underwriters**—Di[...] lon, Read & Co. Inc. and Johnston, Lemon & Co. unde[...] wrote offering to stockholders in 1953.

Public Service Co. of Oklahoma
Nov. 11 it was reported that company plans to issue a[...] sell 100,000 shares of new preferred stock (par $10[...] **Underwriter**—To be determined by competitive biddi[...] Probable bidders: Harriman Ripley & Co. Inc. a[...] Central Republic Co. Inc. (jointly); Smith, Barney [...] Co.; Kuhn, Loeb & Co.; Glore, Forgan & Co. **Offering** Expected in May or June, 1955.

★ **Puget Sound Power & Light Co.**
April 5, Frank McLaughlin, President, said that "it w[...] be necessary in 1955 to obtain funds for constructi[...] purposes from outside sources—at least to the exte[...] of several million dollars." The company has schedul[...] a large-scale expansion program, involving $75,000,0[...] in order to keep abreast of estimated load growth ov[...] the next five years. **Underwirters**—Probably Stone [...] Webster Securities Corp., The First Boston Corp. a[...] Smith, Barney & Co.

Pyramid Electric Co., Jersey City, N. J.
March 18 it was announced company plans to issue a[...] sell 75,000 shares of 5% convertible preferred sto[...] (par $10) through S. D. Fuller & Co., New York. T[...] net proceeds are to be used for expansion and wor[...] ing capital. **Offering**—Expected some time in May.

Radio Receptor Co., Inc.
Feb. 28 it was reported that a public offering is so[...] expected of about 250,000 shares of common stock, [...] which 100,000 shares will be sold for account of co[...] pany and 150,000 shares for selling stockholders. **Unde[...] writer**—Bache & Co., New York.

★ **Riegel Paper Corp.**
April 4, stockholders were advised that the compa[...] plans to sell a new issue of $15,000,000 25-year sinki[...] fund debentures and some additional common stock (p[...] $10) to stockholders. **Proceeds** — To redeem present[...] outstanding funded debt and preferred stock of compa[...] and its subsidiaries aggregating $16,249,000 and to he[...] finance the proposed expansion of the company's No[...] Carolina pulp mill. **Underwriter** — Morgan Stanley [...] Co., New York. **Offering**—Expected early in May.

Scholz Homes, Inc., Toledo, Ohio
March 28 it was reported company plans early registr[...] tion of 150,000 shares of common stock. **Price**—Expect[...] at $5 per share. **Business**—Manufactures pre-fabricat[...] and pre-cut homes. **Underwriter**—Straus, Blosser & M[...] Dowell, Chicago, Ill.

★ **South Carolina Electric & Gas Co.**
March 14 it was announced company expects to obtai[...] part of its new money requirements from the sale [...] $4,500,000 of new bonds (may be private) and the r[...] mainder from temporary bank borrowings during t[...] latter part of 1955.

● **Southern California Edison Co.**
March 29 it was announced company plans to off[...] approximately $40,000,000 of convertible debentures [...] its original preferred and common stockholders on [...] pro rata basis, and has sought permission from the Ca[...] fornia P. U. Commission to exempt the proposed iss[...] from competitive bidding. The subscription period [...] planned to be in the latter part of May and the ea[...] part of June. **Proceeds**—To retire promissory notes a[...] for construction program. **Underwriters**—The First B[...] ton Corp. and Dean Witter & Co. underwrote the 1[...] offering of common stock.

Southern California Gas Co.
Feb. 28 it was reported company plans to issue and [...] $40,000,000 of first mortgage bonds. Application [...] been filed with California P. U. Commission for [...] emption from competitive bidding. Bids received [...] last sale of bonds were from Halsey, Stuart & Co. I[...] Blyth & Co., Inc.; White, Weld & Co. and Union Se[...] rities Corp. (jointly); Lehman Brothers.

Southern Co. (11/9)
Dec. 30 it was announced company plans to issue [...] sell to the public 500,000 additional shares of comm[...] stock (par $5). **Proceeds**—To repay bank loans and [...] investment in additional stock of subsidiary compan[...] **Underwriter**—To be determined by competitive b[...] ding. Probable bidders: The First Boston Corp., Lad[...] burg, Thalman & Co., Carl M. Loeb, Rhoades & Co. [...] Wertheim & Co. (jointly); Blyth & Co., Inc., Be[...] Stearns & Co. and Dean Witter & Co. (jointly); Un[...] Securities Corp. and Equitable Securities Corp. (jointl[...] Lehman Brothers; Morgan Stanley & Co.; Kidder, P[...] body & Co., and Merrill Lynch, Pierce, Fenner & Bea[...] **Bids**—Tentatively scheduled for Nov. 9. **Registratio[...]** Not expected until Oct. 12.

● **Southwestern Gas & Electric Co.**
Jan. 17 it was reported company is planning to is[...] and sell $6,000,000 of cumulative preferred stock ([...] $100). **Proceeds**—To prepay bank loans and for constr[...] tion program. **Underwriters**—To be determined by c[...] petitive bididng. Probable bidders: White, Weld & [...] and Kidder, Peabody & Co. (jointly); Lehman Broth[...] Merrill Lynch, Pierce, Fenner & Beane and Un[...] Securities Corp. (jointly); W. C. Langley & Co.; Ha[...] man Ripley & Co. Inc. **Offering**—Expected in May [...] June, 1955.

★ **Sterling Drug, Inc.**
March 28 it was reported company plans issuance [...] sale of about $11,000,000 of debentures and to raise ab[...] $10,000,000 additional funds. **Proceeds**—To redeem 1[...] 090 shares of 3½% preferred stock (par $100) and [...] expansion program. **Underwriter**—Eastman, Dillon [...] Co., New York.

Texas Eastern Transmission Corp.
n. 12, George T. Naff, President, referred to the pos-bility of some $85,000,000 in new financing when and the company's current application for the reconver-on of the Little Big Inch pipeline and the construction the new natural gas facilities is launched. He indi-ted that it was possible that $40,000,000 of that as-med $85,000,000 new financing might be in the form of ew first mortgage bonds, (to be placed privately), and at based upon the assumptions that he was making he elieved that the remainder of the financing would be ccomplished by the issuance of debentures and pre-rred stocks (he did not assume the sale of any com-ian stock). Plans for the possible issuance of new secu-ities are not at all definite as yet, it was announced on Iarch 4. **Underwriter**—Dillon, Read & Co., Inc., New ork.

Texas Gas Transmission Co.
Iarch 15 it was reported company plans to sell addi-onal first mortgage bonds later to finance cost of new onstruction, which is estimated at about $17,500,000. Inderwriter—Dillon, Read & Co. Inc., New York.

Texas Instruments, Inc.
Iarch 21 J. Erik Jonsson, President, announced stock-olders will vote April 20 on authorizing the creation of n issue of 300,000 shares of cumulative preferred stock par $25), of which it is planned to publicly offer about 60,000 shares to be known as convertible preferred tock; first to common stockholders. **Proceed**—For ex-ansion and working capital. **Underwriter** — Morgan tanley & Co., New York.

Transamerica Corp.
'eb. 25 F. N. Belgrano, Chairman and President, an-iounced that company plans to offer publicly 1,346,800 hares of capital stock through an underwriting group. **)ffering**—Planned for early in May. **Underwriters**—Blyth & Co., Inc., and Dean Witter Co.

United Aircraft Corp.
Iarch 14 it was announced stockholders will on April 6 vote on approving a new issue of 500,000 shares of preference stock (par $100). **Proceeds**—To redeem pres-nt 5% cumulative preferred stock (233,500 shares out-tanding), and for working capital. **Underwriter**—Har-iman Ripley & Co., Inc., New York.

United Gas Corp.
Feb. 24, N. C. McGowen, President, announced that corporation plans to raise $35,000,000 to $40,000,000 in the first half of 1955 through the sale of additional common stock to stockholders. **Proceeds**—For construction program of company and of United Gas Pipe Line Co., a subsidiary. **Underwriter**—None.

United Gas Corp.
Feb. 24, N. C. McGowen, President, stated that company might be doing some debt financing, with this year's total financing program reaching about $50,000,000 (including about $35,000,000 to $40,000,000 of common stock). **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Equitable Securities Corp. (jointly); Harriman Ripley & Co. Inc. and Goldman, Sachs & Co. (jointly).

★ **Utah Power & Light Co. (9/13)**
March 28 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds due 1985. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co.; Salomon Bros. & Hutzler; White, Weld & Co. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids** — To be received Sept. 13.

★ **Utah Power & Light Co. (9/13)**
March 28 it was reported company plans public sale of 177,500 shares of common stock. **Proceeds** — For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received on Sept. 13.

Vanadium Queen Uranium Co.
Feb. 21 it was reported company plans to issue and sell 720,000 shares of common stock. **Price**—Expected to be $2.50 per share. **Underwriter**—Van Alstyne, Noel & Co., New York.

Virgina Electric & Power Co. (6/7)
Feb. 19 it was reported company plans to issue and sell $25,000,000 of first mortgage bonds in the near future.. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp.; Stone & Webster Securities Corp.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzler; White, Weld & Co. **Bids**—Expected June 7.

Washington Gas Light Co.
Feb. 26 it was announced company plans to issue and sell about $8,000,000 refunding mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Equitable Securities Corp.; Union Securities Corp. **Offering**—Expected before July 1.

Washington Steel Co., Washington, Pa.
March 1 it was announced stockholders will vote April 28 on approving an issue of 30,000 shares of cumulative convertible preferred stock (par $50). **Proceeds**—For expansion program and working capital. **Underwriter**—Probably Singer, Deane & Scribner, Pittsburgh, Pa.

Western Union Telegraph Co.
March 15 it was announced that consideration is being given to the issuance of some additional shares of common stock through an offering to stockholders. Stockholders will vote April 13 on approving a 4-for-1 split of the company's stock and the issuance of an additional 1,580,000 new shares, part of which are expected to be offered as aforesaid, but no definite financing plans have been formulated. **Underwriters**—Expected to include Kuhn, Loeb & Co.; Lehman Brothers; and Clark, Dodge & Co.

Westpan Hydrocarbon Co. (4/15)
Dec. 11 it was reported Sinclair Oil Corp. will ask for bids for 384,861 shares of Westpan stock about April 15, 1955, if it has not been able to dispose of these holdings before that date. **Underwriter**—Union Securities Corp., New York, underwrote recent sale of Sinclair's holdings of Colorado Interstate Gas Co. White, Weld & Co., New York, may be included among the bidders.

Our Reporter's Report

Another week has moved along without the new issue market really being able to get off the "dead-center" which has gripped it for close on to a month. It appears to be a case of both sides standing aloof in the hope that what each seeks will come to pass.

Thus far the market could hardly be described as running definitely in either direction. And as a consequence, institutional investors who today make up by far the bulk of the market for new debt issues remain on the sidelines.

It could be that the fact that the Treasury was forced to pay the highest rate in 15 months for 91-day money this week might prove a "straw-in-the-wind." But potential buyers evidently will not be in any hurry to seek out new capital until convinced that the chances for obtaining such funds more cheaply have been exhausted.

So the tug-o-war continues with the investment banking industry and its distributing associates more or less hung up in the middle with little to do but twiddle their fingers and, where possible, endeavor to pick up a bit of income by trading.

The week did bring out several issues, two by the negotiated route both of which went over with a rush as buyers displayed brisk interest attracted not only by the yields fixed, but also by the maturity, 20-years in both instances.

Out in a Rush

The feature of the week was yesterday's public offering of $40,000,000 of 20-year convertible debentures made by bankers for the General Dynamics Corp.

Carrying a coupon rate of 3½% and priced at 102½ for a yield of around 3.4%, this issue was snapped up quickly.

With the equity market putting on a show of fair strength, and the stock of the company selling but a scant few points under the conversion figure of 75 set for the issue, it was apparent that this "call" on the shares was an added "sweetener."

Alco Still Waiting

American Locomotive Co.'s prospective offering of $25,000,000 of 25-year sinking fund debentures, due to reach market originally a fortnight ago is still being held in abeyance.

Bankers evidently are a bit reluctant to bring the debentures to market in the present state of affairs. Several meetings have been held, but presumably without being able to agree on details.

The company will use the funds derived to redeem outstanding notes, retire the 7% preferred stock and expand its working capital.

Investors' Choice

The temperament of investors appears a bit on the touchy side these days as evident from the experience of bankers who have been taking on the several small, competitive utility deals available.

This week Kentucky Utilities Co. sold an issue of $5,000,000 to bankers at a price of 100.489 for a 3¼% coupon. The purchasing syndicate repriced the issue for offering at 101.039 for a yield of 3.32%. At the start inquiries were fair to good, but suddenly picked up and the entire issue moved out in a few hours.

Meanwhile, the $18,000,000 Arkansas Power & Light Co. 3⅜s, brought out last week at 101.421 to yield 3.30% continued to lag, being reported about 40% sold.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C.—President Eisenhower's victory over the Democrats' $20 per cap tax cut, which substantially was as much Senator Harry F. Byrd's victory as it was the President's, has obscured the fact that the President's legislative program in Congress has bogged down.

As has been widely reported, the reciprocal trade program cannot pass in the pristine form proposed by the Administration. The roads program and the school program have both run into roadblocks. There is at present practically no enthusiasm for anything in the health program other than its fringe parts, like some consolidation of subsidies for hospital construction or aid to states for facilities for the mentally handicapped.

In fact, the present stage resembles that of June, 1954 when the President took to the air and the TV to lambast Congress for not getting up and at 'em on his last year's legislative repertoire.

Democrats, naturally, would be willing to find any excuse for turning down the President, so their excuses must be taken with some reservation. On the other hand, both Republicans and Democrats complain of the almost total unwillingness of the Administration crowd to take Congress into confidence.

As reported last week, the Roads bill was subjected to a silly but fatal error (if it came out of Committee) in the White House draft. It appears that the Administration has made another error in its health bill, writing it up in such a way as to snafu its consideration.

The danger which the reciprocal trade program faces stems not alone from failing to sound out Congressional sentiment and make some compromise therewith. It also is due to the fact that the White House let the State Department crowd run so far away with the ball that there is the most honest worry for fear some kind of a supra-national agency will be writing U. S. trade policy.

Has No Whip

In June, 1954 the President, as it were, cracked the whip with his TV and radio appeal to the "peepul." It succeeded rather well. Besides getting the tax bill, which all but the more ardent lefties wanted anyway, he got a considerable extension of his own Welfare State. This was due in part because it was an election year and Republican members knew that good, bad, or indifferent, they were stuck with the President.

Mr. Eisenhower's 1954 legislative success was also due in a very large measure to the fact that Republican leaders proved to be flexible enough to turn their backs on past convictions respecting the evils of spending legislation, and to go to town on his program.

This is not an election year, and the Congressional leaders are Democratic.

Therefore, most tentatively, the present outlook is for a minimum of radical legislation getting on the books this year. This prospect is further enhanced by the fact that the Democratic leadership now sees little chance of getting together on all-Democratic alternatives to Eisenhower's grand schemes.

The recent tax bill demonstrated how difficult it is to get both House and Senate leaderships together on the sale of the same brand of merchandise. Speaker Rayburn saw a nice, clean, demagogic break in offering the $20 per cap thing, especially in view of the tacit but nonetheless real commitment of the Eisenhower Administration to personal tax reduction in 1956.

When the Senate Democrats cooked up their hybrid scheme it looked like neither fish nor fowl, water nor 100% straight bourbon. This Senate concoction, relatively easily slayed through the influence of Senator Byrd, pretty well demonstrated the difficulty of getting the Senate and House Democratic wings to working under the same political manual of arms.

Will Study Loopholes

Democratic members of the Ways and Means Committee are serious in their intention of studying so-called tax loopholes, but at present are without a bandolier of ammunition to throw at the tax laws. They haven't decided the when or how of their projected study. They would welcome suggestions from the Treasury.

In this connection, it is noted that the Democratic Treasury in 1951 recommended taxing Federal savings and loan associations. These associations, which are doing a thriving business and are making nice earnings, are nominally taxable under 1951 law but under a formula which substantively allows them to legally avoid such taxation pretty much. Thus far the present Administration has avoided taking on these politically popular tax exempts.

Concentrate On Humphrey

Democratic "liberals" enjoy trying to make George Humphrey out as the "strong man" of the Eisenhower Administration, or the "Secretary of Everything."

In this respect they think they have a good thing. For one thing, unlike the anonymous men immediately around Eisenhower, who really pull the strings, Humphrey is out in front where people can see him. Second, as an eminently successful businessman, the Democrats look upon Mr. Humphrey as fair game for their political shooting at the so-called "big business Administration."

What makes the Democrats so unhappy is that George Humphrey is personable, glib, logical, and isn't flustered by the loudest speaking, table-thumping of the gentlemen of Capitol Hill.

Give Undue Credit

On the other hand, informed observers believe that the loyal opposition may be giving Mr. Humphrey much more credit than he deserves.

First, as a general rule, nine out of 10 policy decisions are made at the White House staff level, and the men around a President, no matter how incompetent they might be, are on day-to-day work more important than the members of the Cabinet who, relatively speaking, are on the outside looking in.

Second, in proportion as the government becomes more magnificent and varigated, so in proportion is the President's actual personal decision of relatively less importance and that of the staff, relatively more important.

Third, Dwight Eisenhower as the product of a military machine, almost automatically places a greater reliance upon staff judgment than any recent President, thereby often coming out with points of view contradicting members of his Cabinet as well as Congressional leaders.

Humphrey Lacks Power

Therefore, it is suspected that Mr. Humphrey is not quite the overall power that both the admirers and opponents of the Secretary make him out to be.

This is suggested by some contrasts with the previous (and personally conservative) Democratic Treasury Secretary, John W. Snyder.

No Missouri mule could dig his heels into the ground harder and make it stick better than John Snyder, when some one else in the Truman Administration tried to put something over on the Treasury, or that in his opinion adversely affected the Treasury directly as its methods of financing.

Thus, prior to the November, 1947, special "anti-inflation" session of Congress, some one in the White House called the Federal Reserve Board asking for ideas to put in Truman's anti-inflation message. The Board gave to the White House Marriner S. Eccles' then current pet idea of the "secondary reserve" of short term governments. Truman put this gimmick into the message before Snyder got wind of it.

Mr. Snyder kept his mouth shut for publication, went over to Harry Truman, explained in effect that in his opinion, it was a lot of nonsense. Finally, weeks later, when there was a public hearing before the House Banking Committe, Mr. Snyder in unsensational language explained in effect that he viewed this nostrum as a scheme to force banks to hold government securities, that he was against it, and that it wouldn't work.

That was the end of that.

Opposes Roads Program

A close parallel for Mr. Humphrey was the extra-marital financing outside the budget and outside the debt limit, for the Administration's $25 billion super-highway program.

This was just as personally repugnant to George Humphrey as the secondary reserve was to John Snyder. Yet George Humphrey could not dissuade the President from it, and, despite his convictions, felt he had to put in a public appearance on its behalf. And there is funny finance in the proposed school program as well. Both would upset the Treasury's ideas as to the proper way of doing business.

Overlooks Bet

Secretary Humphrey has not learned one lesson that has been learned by many a predecessor on his job. This is that while legally constituted as a subordinate of the President, a Cabinet Secretary also has to be something else.

This something else is the head man of an important department. It is something more than being the President's man in a particular department. It means doing everything possible to cultivate the best possible relations with Congress, for a Secretary's record is made as much by how well he gets along with Congress—especially on numerous facets of minor policy that seldom get in the newspapers—as by how well he pleases a President.

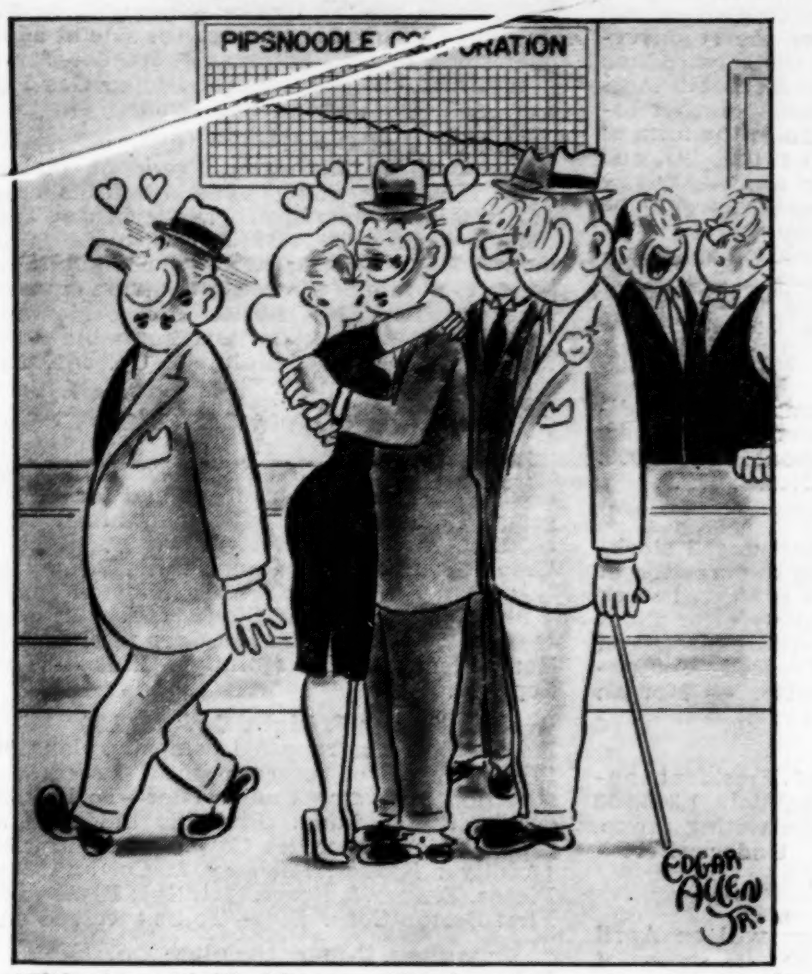
John Snyder, for instance, mostly privately and out of the public view, always kept the closest and most cordial personal relations with the members of both parties on all Committees that handled any legislation affecting the Treasury.

Snyder may not have been the glamorous character George Humphrey is, but he always cultivated Congress, a convenient counter to the bright little staff boys that were always putting things across. It is comparatively rare for Mr. Humphrey to realize the importance of this endeavor.

This may be because as an executive of unquestioned, demonstrable ability, he visualizes himself, no less than the military, as a subordinate rather than an entity in his own right.

(This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.)

BUSINESS BUZZ



"They're stockholders — it's in place of a dividend this year!"

With Burton, Dana

(Special to THE FINANCIAL CHRONICLE)

WASHINGTON, D. C.—Burton, Dana & Co., members of the New York Stock Exchange, have announced that Harry B. Jarrett, Vice-Admiral, U. S. N. (retired), is now associated with the firm as a representative in their Washington, D. C., office, 1001 Connecticut Avenue, N. W.

Admiral Jarrett graduated from the U. S. Naval Academy in 1922, advanced through grades to become Commander of Cruiser Division Four in the Atlantic during World War II, and was appointed Rear Admiral in 1950.

Chicago Analysts to Hear

CHICAGO, Ill. — Charles F. Myers, Jr., Treasurer of Burlington Industries, Inc., will be speaker at the luncheon meeting of the Investment Analysts Society of Chicago, to be held April 14 in the Georgian Room at Carson Pirie Scott & Co.

With H. L. Jamieson

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Alan P. Fraser and Robert M. Pilot are now connected with H. L. Jamieson Co., Inc., Russ Building.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

★ Admiral Homes, Inc., West Newton, Pa. (4/12)
March 28 (letter of notification) 50,000 shares of common stock (par $1). Price—$3.50 per share. Proceeds—For general corporate purposes. Underwriter — Reed, Lear & Co., Pittsburgh, Pa.

Allied Uranium Mines, Inc. (4/18-22)
March 25 filed 600,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—For exploration of mining claims, and expenses incident thereto. Office—701 Newhouse Building, Salt Lake City, Utah. Underwriter—H. J. Cooney & Co., New York.

American Asbestos Co., Ltd.
Feb. 17 (Regulation "D") 600,000 shares of common stock (par $1). Price — 50 cents per share. Proceeds—For general corporate purposes. Underwriter—Maine Investment Co., Ltd.

★ American Electronics, Inc. (4/20-21)
March 31 filed $1,250,000 of 5% convertible debentures due April 1, 1967. Price—100% and accrued interest. Proceeds—To retire bank loans and notes payable; for loans to subsidiaries; and for working capital. Underwriters — Van Alstyne, Noel & Co., New York; and Crowell, Weedon & Co., Los Angeles, Calif.

American International Minerals Corp.
Feb. 25 filed 460,000 shares of common stock (par 10¢). Price—$1 per share. Proceeds—For exploration and development of mining properties of subsidiary and for working capital, etc. Office—Dover, Del. Underwriter—Vickers Bros., New York. Offering—Expected in about five weeks.

American Locomotive Co.
March 11 filed $25,000,000 sinking fund debentures due March 15, 1980. Price—To be supplied by amendment. Proceeds—Together with other funds, to redeem $18,700,000 of 7% cumulative preferred stock (par $100) at $115 per share and prepay $10,000,000 loan from Metropolitan Life Insurance Co. Underwriter—Smith, Barney & Co., New York. Offering—Temporaily postponed.

Anchor Precision Corp., Westbury, L. I., N. Y.
March 28 filed 118,000 shares of 5½% cumulative convertible preferred stock. Price—At par ($5 per share). Proceeds—For expansion in Mid-west, to fabricate additional micro-zip machine and zipper manufacturing equipment and for working capital. Underwriter—D. Gleich Co., New York.

★ Antelope Oil & Gas Co., Spokane, Wash.
March 28 (letter of notification) 400,000 shares of common stock. Price—At par (10 cents per share). Proceeds—For expenses incident to oil, gas and uranium activities. Office—711 Hutton Bldg., Spokane, Wash. Underwriter—None.

• Arkansas Power & Light Co.
March 3 filed 93,500 shares of $4.72 cumulative preferred stock (par $100) being offered in exchange for outstanding 47,609 shares of $7 preferred stock and 45,891 shares of $6 preferred stock on a share-for-share basis (plus a small cash adjustment) during a period to expire on April 19. Underwriters—Equitable Securities Corp. and Union Securities Corp. (jointly) who will purchase any unexchanged shares at $105 per share and reoffer same at $107 per share and accrued dividends.

Astron Corp., East Newark, N. J. (4/25-29)
March 25 filed 250,000 shares of common stock (par 10 cents), of which 200,000 shares are to be sold for account of the company and 50,000 shares for certain selling stockholders. Price—$4 per share. Proceeds—For expansion program, inventory and working capital. Underwriter—Van Alstyne, Noel & Co., New York.

★ Augusta Newspapers, Inc., Augusta, Ga. (5/2)
April 5 filed 40,000 shares of 6% cumulative preferred stock (par $10) and 50,000 shares of class A common stock (par $1). Price — To be supplied by amendment. Proceeds—To acquire stock of Southeastern Newspapers, Inc.; $100,000 to be contributed to capital surplus of latter; and for general corporate purposes. Underwriter—Johnson, Lane, Space & Co., Savannah, Ga.

Automatic Remote Systems, Inc.
March 3 filed 540,000 shares of common stock (par 50 cents). Price—$3.75 per share. Proceeds—For manufacture of Teleac Sending and Receiving Units, working capital and general corporate purposes. Office—Baltimore, Md. Underwriter—Mitchell Securities, Inc., same city.

Best American Life Insurance Co., Mesa, Ariz.
Feb. 11 filed 800,000 shares of class A common stock (par $1) to be offered to present and future holders of its life insurance policies with stock purchase rights; 75,000 shares of class B common stock (par $1) to be offered to present and future life insurance salesmen, district managers and state managers; and 455,208 double option coupons with and attached to policies of whole life insurance, to be offered to the general public. Proceeds—To build up capital and surplus of company to permit to qualify as a full legal reserve company and expand into other states. Underwriter—None. Richard G. Johnson of Mesa, Ariz., is President.

★ Bevanda Mines, Inc., Lovelock, Nev.
March 23 (letter of notification) 50,000 shares of 5% cumulative preferred stock. Price — At par ($1 per share). Proceeds—For mining operations. Underwriter—None.

Big Indian Uranium Corp., Provo, Utah
July 15 (letter of notification) 500,000 shares of common stock (par 10 cents). Price—25 cents per share. Proceeds—For mining operations. Address—Box 77, Provo, Utah. Underwriter—Weber Investment Co., 242 N. University Ave., Provo, Utah.

Bikini Uranium Corp., Denver, Colo.
Oct. 15 (letter of notification) 3,000,000 shares of common stock (par one cent). Price—10 cents per share. Proceeds—For exploration and development costs. Office — 705 First National Bank Bldg., Denver, Colo. Underwriter—I. J. Schenin Co., New York.

★ Black Hills Power & Light Co.
March 1 (letter of notification) 10,950 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each 23 shares held. Price—$26 per share. Proceeds—For additions and improvements to property. Office — Rapid City, S. D. Underwriter—None.

Bridgeport Brass Co., Bridgeport, Conn. (4/18)
March 28 filed 202,547 shares of cumulative preferred stock (par $50) to be offered for subscription by common stockholders of record about April 15 on the basis of one preferred share for each six shares held. Price—To be supplied by amendment. Proceeds — To retire outstanding long-term debt (3¾% serial debentures, 2½% notes, and 4% mortgage on Indianapolis plant) and for general corporate purposes. Underwriters—Blyth & Co., Inc.; Hornblower & Weeks; and Stone & Webster Securities Corp.; all of New York.

★ Bridger Uranium Co., Reno, Nev.
March 24 (letter of notification) 500,000 shares of common stock (par one cent). Price — 10 cents per share. Proceeds—For mining operations. Office—139 No. Virginia St., Reno, Nev. Underwriter—None.

★ Broad Street Investing Corp., New York
March 29 filed (by amendment) 1,200,000 additional shares of caiptal stock. Price—At market. Proceeds—For investment.

Brown Co., Berlin, N. H.
March 17 filed $14,217,100 of debentures due May 15, 1975, and 142,171 shares of common stock (par $1) to be offered for subscription by holders of "called" $5 cumulative convertible first preference stock who have not surrendered their shares for redemption or conversion into common stock. These holders may subscribe for $100 of debentures and one share of common stock for each $5 preference share held. Price — $100 per unit. Proceeds—For redemption of $5 preference stock. Underwriter—None.

★ Cal-Utah Uranium, Inc.
Feb. 28 (letter of notification) 500,000 shares of capital stock. Price—At par (10 cents per share). Proceeds—For mining expenses. Office—111 Sutter St., San Francisco, Calif. Underwriter—None.

California-Pacific Utilities Co.
March 14 filed 50,000 shares of 5% cumulative convertible preferred stock (par $20). Price—To be supplied by amendment. Proceeds — To repay bank loans and for new construction. Underwriter — First California Co., San Francisco, Calif.

California Tuna Fleet, Inc.
Feb. 15 filed (amendment) $500,000 of 6% sinking fund debentures due 1967 and 50,000 shares of common stock (par $1) to be offered in units of a $1,000 debenture and 100 shares of stock. Price—Expected at $1,100 per unit. Proceeds—For expansion and working capital. Office—San Diego, Calif. Underwriter—Barrett Herrick & Co., Inc., New York.

★ California Washington Petroleum Corp.
March 18 (letter of notification) 196,135 shares of common stock. Price—At par ($1 per share). Proceeds—For exploration and development expenses. Office — 3500 Rodeo Road, Los Angeles, Calif. Underwriter — Joe S. Shigezane, 3872 Cherrywood St., Los Angeles, Calif., and others.

★ Carling Brewing Co., Inc., Cleveland, Ohio
March 15 (letter of notification) 3,803 shares of capital stock (par $15) to be offered for subscription by stockholders. Price—$40 per share. Proceeds—To repay loan from Canadian Breweries, Ltd. Office — 9400 Quincy Ave., Cleveland, O. Underwriter—None.

Central Maine Power Co. (4/12)
March 16 filed $12,000,000 of first and general mortgage bonds, series V, due 1985. Proceeds—To repay bank loans and for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc., Kidder, Peabody & Co. and W. E. Hutton & Co. (jointly); Salomon Bros. & Hutzler; Kuhn, Loeb & Co.; Union Securities Corp. and A. C. Allyn & Co. Inc. (jointly). Bids—To be received up to 11 a.m. (EST) on April 12 at the company's office, 443 Congress St., Portland, Me.

★ Champa Mining Co., Denver, Colo.
Feb. 25 (letter of notification) 150,000 shares of common stock. Price—At par ($1 per share). Proceeds—For mining operations. Office—215 First National Bank Bldg., Denver, Colo. Underwriter—None.

• Chesapeake & Colorado Uranium Corp. (4/14-18)
Dec. 7 filed 1,000,000 shares of common stock (par five cents). Price—$1 per share. Proceeds—For exploration and development program. Office — Washington, D. C. Underwriters—S. D. Fuller & Co.; Peter Morgan & Co.; and Vermilye Brothers; all of New York.

Citizens Natural Gas Co., Inc.
March 15 (letter of notification) 80,000 shares of preferred stock and 20,000 shares of common stock to be offered in units of four shares of preferred and one share of common stock. Price—$14.50 per unit. Proceeds—For repayment of loans, and for improvements, etc. Office—230 South Fifth St., Las Vegas, Nev. Underwriter—Lester L. LaFortune, same city.

★ Collins Radio Co. (4/25-29)
April 5 filed 122,500 shares of convertible preferred stock (par $50) to be offered for subscription by class A and class B common stockholders on the basis of one new share for each 12 shares held. Price—To be supplied by amendment. Proceeds—To redeem presently outstanding preferred stock and for working capital. Underwriters—Kidder, Peabody & Co. and White, Weld & Co., both of New York.

★ Commonwealth Stock Fund, Inc., San Francisco, Calif.
April 4 filed (by amendment) 300,000 shares of common stock (par $1). Price—At market. Proceeds—For investment.

★ Commonwealth Uranium, Inc., Salt Lake City, Utah
March 17 (letter of notification) 7,500,000 shares of capital stock. Price—At par (one cent per share). Proceeds—For mining expenses. Office — Suite 29, Salt Lake Stock & Mining Exchange Bldg., Salt Lake City, Utah. Underwriter—Trans-Western Brokerage Co., same city.

Confidential Finance Corp., Omaha, Neb
March 11 (letter of notification) 150,000 shares of 7% cumulative preferred stock (par 95 cents) and 15,000 shares of common stock (par one cent) to be offered in units of 10 shares of preferred stock and one share of common stock. Price — $10 per unit. Proceeds — For working capital. Underwriter—J. J. Riordan & Co., Inc., 42 Broadway, New York City.

Consol. Edison Co. of New York, Inc.
April 7, 1954, filed $50,000,000 first and refunding mortgage bonds, series K, due May 1, 1984. Proceeds—To be applied towards cost of redeeming $27,982,000 New York Steam Corp. first mortgage bonds and $25,000,000 Westchester Lighting Co. general mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Morgan, Stanley & Co.; The First Boston Corp. Offering—Originally set for May 11, but has been postponed because of market conditions. No new date set.

Consolidated Fenimore Iron Mines Ltd.
Jan. 24 filed 204,586 shares of common stock (par $7), to be offered for subscription by common stockholders of record Feb. 7, 1955 at the rate of one new share for each five shares held. Price—$2.20 per share. Proceeds—From sale of this stock, plus $440,000 to be available from sale of 200,000 shares to Alator Corp. Ltd. and Yam Securities Ltd., and $175,000 treasury funds, to be used to pay for geological surveys and metallurgical research, for drilling expenses and other general corporate purposes. Office—Toronto, Canada. Underwriter—None.

Consolidated Sudbury Basin Mines, Ltd., Toronto, Canada
Jan. 31 filed 3,000,000 shares of common stock (no par). Price—To be supplied by amendment. Proceeds—For exploration and development of properties. Underwriter—Stock to be sold on Toronto Stock Exchange or through underwriters or selected dealers in United States.

★ Constellation Uranium Corp., Denver, Colo.
March 22 (letter of notification) 2,855,000 shares of common stock (par one cent). Price — 10 cents per share. Proceeds—For mining expenses. Office—206 Mercantile Bldg., Denver, Colo. Underwriter—Bay Securities Corp., New York.

Continental Electric Equipment Co.
Jan. 28 (letter of notification) 8,645 shares of common stock (no par) to be offered for subscription by stockholders of record March 1, 1955 on the basis of one new share for each five shares held; rights to expire on April 15. Price — $18.75 per share. Proceeds — For working capital. Office — 1 Green Hills Place, Cincinnati, O. Underwriter—None.

Continental Loan Co., Dallas, Tex.
Dec. 22 (letter of notification) $150,000 of 4% 10-year debentures and 42,000 shares of common stock (par 10 cents) to be offered in units of $1,000 of debentures and 200 shares of stock; remaining 12,000 shares to be purchased by underwriter. Price—$1,400 per unit; and $2 per common share. Proceeds—To buy common stock of Budget and Mutual and for working capital. Office—

15 Fidelity Union Life Bldg., Dallas, Tex. **Underwriter**—Securities Management Corp., same address.

Continental Telephone Co.
March 18 filed 243,060 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each four shares held as of April 7; rights to expire on April 20. Theodore Gary & Co., which owns 50.49% of the outstanding shares of Continental common stock, intends to purchase the 122,716 shares to which it is entitled to subscribe. **Price**—To be supplied by amendment. **Proceeds**—To be used principally for financing the company's subsidiaries and for other general corporate purposes. **Underwriters**—White, Weld & Co., The First Boston Corp. and W. C. Pitfield & Co., Inc., all of New York.

★ **Continental Uranium Exploration Co. (Colo.)**
Feb. 28 (letter of notification) 650,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office** — Anaconda Mine, Route No. 4, County of Gunnison, Colo. **Underwriter**—None.

★ **Corson (G. & W. H.), Inc., Plymouth Meeting, Pa. (4/21)**
March 30 filed 40,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To two selling stockholders. **Business** — Produces chemical and metallurgical lime and limestone products, etc. **Underwriters** — Estabrook & Co., Boston, Mass., and De Haven & Townsend, Crouter & Bodine, Philadelphia, Pa.

Crestmont Oil Co., Los Angeles, Calif. (4/13)
March 21 filed 125,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loan and to acquire additional not fully developed producing properties with good oil reserves. **Underwriter** — Shearson, Hammill & Co., Los Angeles, Calif. and New York, N. Y.

★ **Dal-Tex Uranium Corp., Dallas, Texas**
March 24 (letter of notification) 2,850,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—6051 Del Norte Lane, Dallas, Tex. **Underwriter** — Selected Securities Ltd., Las Vegas, Nev.

★ **Dayton Power & Light Co.**
April 1 filed 50,000 shares of common stock (par $7) to be offered for subscription by employees under the company's Employees' Stock Plan.

Desert Queen Uranium Co., Salt Lake City, Utah
Jan. 26 (letter of notification) 259,500 shares of common stock (par two cents). **Price**—$1 per share. **Proceeds**—for mining operations. **Office**—506 Judge Building, Salt Lake City, Utah. **Underwriter** — Selected Securities Ltd., Los Vegas, Nev.

★ **Devon-Leduc Oils, Ltd., Winnipeg, Canada**
March 31 filed warrants for the purchase of 200,000 shares of capital stock (par 25 cents—Canadian) at $1.50 per share and 200,000 shares of such stock. **Price** — At the market price prevailing at the time of the sale of the warrants. **Proceeds** — For general corporate purposes. **Underwriter** — American Securities Corp., New York.

Devonian Gas & Oil Co., Renovo, Pa.
March 1 (letter of notification) 500,000 shares of common stock (par 10 cents) to be offered for subscription by stockholders. **Price**—25 cents per share. **Proceeds**—For drilling operations and working capital. **Office**—704 Erie Ave., Renovo, Pa. **Underwriter**—None.

Diamond Uranium Corp., Moab, Utah
Jan. 20 (letter of notification) 3,500,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office**—M. I. C. Bldg., Moab, Utah. **Underwriter**—Security Uranium Service, Inc., K. O. V. O. Bldg., P. O. Box 77, Provo, Utah.

Dixie Fire & Casualty Co., Greer, S. C.
March 11 (letter of notification) 5,000 shares of common stock (par $10). **Price**—$25 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

★ **Dover Corp., Louisville, Ky. (5/2-6)**
March 30 filed 106,208 shares of common stock (par $1), of which 77,208 shares are to be offered by company and 29,000 shares by George L. Ohrstrom, Chairman of the Board. **Price**—To be supplied by amendment. **Proceeds**—For new plant and working capital. **Business**—Manufacturing lifting and sealing devices. **Underwriter**—Cohu & Co., New York.

★ **Downey's Inc., Hatch, N. Mex.**
Feb. 28 (letter of notification) 2,500 shares of preferred stock (par $20) and 2,500 shares of common stock (no par) to be offered in units of one share of each class of stock. **Price**—To be supplied by amendment. **Proceeds**—For equipment. **Underwriter**—None.

★ **Doyle (R. V.) Interiors, Inc.**
March 17 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—139 No. Virginia St., Reno, Va. **Underwriter**—None.

Dyno Mines, Ltd., Toronto, Canada.
March 25 filed 1,100,000 shares of common stock (par $1). **Price**—To be related to the current market price on the Toronto Stock Exchange. **Proceeds**—To American Trading Co. Ltd., the selling stockholder. **Underwriter**—R. W. Brown Ltd., Toronto, Canada, on a "best-efforts basis."

East Texas Loan & Investment Co.
Jan. 20 (letter of notification) 25,000 shares of common stock (no par). **Price** — $10 per share. **Proceeds**—For working capital. **Office**—203 East Cotton St., Longview, Tex. **Underwriter**—D. G. Carter Investment Co., same address.

● **Eastern Stainless Steel Corp.**
March 16 filed 126,755 shares of common stock (par $5), of which 96,755 shares are being offered by the company for subscription by common stockholders of record April 5 on the basis of one new share for each five shares held (rights to expire on April 20); and 300,000 shares of common stock to be offered for account of John M. Curley, Chairman of the Board and President. **Price**—$21.50 per share. **Proceeds** — For retirement of bank loans, capital expenditures and working capital. **Office**—Colgate, Md. **Underwriter** — Hornblower & Weeks, New York.

El Morocco Enterprises, Inc., Las Vegas, Nev.
Dec. 29 filed $6,000,000 of 8% sinking fund debenture bonds due July 1, 1967, and 1,950,000 shares of common stock (par 10 cents), each purchaser of bonds to have the right to purchase common stock at par at rate of 10 shares for each $100 of bonds up to $9,900 of debenture bonds purchased, with amount of shares increasing in proportion to amount of bonds purchased. **Price**—100% of principal amount for bonds. **Proceeds**—To pay balance of purchase price of Las Vegas Hotel, Inc. capital stock, construction of main hotel building, pavilions, swimming pool, furnishings, etc. **Underwriter**—Company may sell debenture bonds and common stock to dealers through brokers.

● **ElectroData Corp., Pasadena, Calif.**
March 7 filed 210,000 shares of capital stock (par $1) being offered for subscription by stockholders at the rate of three new shares for each 10 shares held on March 31; with subscription rights to expire on April 18. **Price**—$10 per share. **Proceeds** — For construction of new plant and office building, new equipment and working capital. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Electronics Co. of Ireland
Jan. 6 filed 300,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and building and working capital. **Office** — 407 Liberty Trust Bldg., Philadelphia, Pa. **Underwriter**—None.

Electronics Investment Corp. (4/12-13)
Dec. 14 filed 2,000,000 shares of capital stock (par $1). **Price**—$5 per share. **Proceeds**—For investment. **Office**—San Diego, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Eleven Moore Street Corp.
March 3 (letter of notification) 28,143 shares of capital stock (par $1) being offered for subscription by stockholders of record March 18, 1955 on the basis of three new shares for each share held; rights to expire on April 8, 1955. **Price**—$6 per share. **Proceeds**—Together with funds from mortgage loan of $350,000 to redeem $581,700 outstanding income mortgage loan certificates. **Office**—141 Broadway, New York 6, N. Y. **Underwriter**—None, but Breswick & Co., New York, will buy unsubscribed shares.

★ **Elk Mountain Uranium Corp.**
March 18 (letter of notification) 12,500,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For mining expenses. **Office**—c/o The Corporation Trust Co. of Nevada, 206 No. Virginia St., Reno, Nev. **Underwriter**—Coombs & Co., of Washington, D. C.

Elsin Electronics Corp.
March 16 (letter of notification) 140,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**

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NEW ISSUE CALENDAR

April 8 (Friday)

Equitable Securities Co. — Common
(City Securities Corp.) $150,000

April 11 (Monday)

Fidelity Insurance Co. — Common
(McDaniel Lewis & Co.; Dietenhofer & Heartfield; and Calhoun & Co.) $162,499

Holly Uranium Corp. — Common
(Barrett Herrick & Co., Inc. and Franklin, Meyer & Barnett) $3,150,000

Pacific Northwest Pipeline Corp. — Notes & Com.
(White, Weld & Co.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp.) $17,220,000 debentures and 287,000 shares of stock

Southern States Oil Co. — Common
(Gordon Graves & Co., Inc.) $500,000

April 12 (Tuesday)

Admiral Homes, Inc. — Common
(Reed, Lear & Co.) $175,000

Central Maine Power Co. — Bonds
(Bids 11 a.m. EST) $12,000,000

Electronics Investment Corp. — Common
(William R. Staats & Co.) $10,000,000

Lee Spring Co., Inc. — Common
(S. D. Fuller & Co. and Vermilye Brothers) $298,740

Woodward & Lothrop, Inc. — Common
(Alex. Brown & Sons) 30,000 shares

April 13 (Wednesday)

Crestmont Oil Co. — Common
(Shearson, Hammill & Co.) 125,000 shares

Freuhauf Trailer Co. — Debentures
(Lehman Brothers) $15,000,000

Gross Telecasting, Inc. — Common
(Paine, Webber, Jackson & Curtis) 193,000 shares

McRae Oil & Gas Corp. — Common
(First California Co. and William R. Staats & Co.) $2,896,696

April 14 (Thursday)

Chesapeake & Colorado Uranium Corp. — Common
(S. D. Fuller & Co.; Peter Morgan & Co.; and Vermilye Brothers) $1,000,000

Marlowe Chemical Co. — Common
(General Investing Corp.) $300,000

Public Service Co. of Indiana, Inc. — Preferred
(Offering to stockholders—no underwriting) $20,243,100

Savannah Electric & Power Co. — Common
(The First Boston Corp. and Stone & Webster Securities Corp.) 165,000 shares

April 15 (Friday)

Westpan Hydrocarbon Co. — Common
(May be Union Securities Corp.) 384,861 shares

April 18 (Monday)

Allied Uranium Mines, Inc. — Common
(H. J. Cooney & Co.) $600,000

Bridgeport Brass Co. — Preferred
(Offering to stockholders—underwritten by Blyth & Co., Inc.; Hornblower & Weeks; and Stone & Webster Securities Corp.) $10,127,350

Mallinckrodt Chemical Works — Preferred
(Newhard, Cook & Co.) $2,000,000

Peninsular Telephone Co. — Common
(Offering to stockholders—underwritten by Morgan Stanley & Co. and Coggeshall & Hicks) 158,203 shares

Philadelphia Electric Co. — Bonds
(Bids noon EST) $50,000,000

Ryder Systems, Inc. — Common
(Blyth & Co., Inc.) 160,000 shares

April 19 (Tuesday)

General Telephone Co. of Michigan — Preferred
(Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp). $5,000,000

Northwest Plastics, Inc. — Common
(Irving J. Rice & Co. and M. H. Bishop & Co.) $300,000

April 20 (Wednesday)

American Electronics, Inc. — Debentures
(Van Alstyne, Noel & Co. and Crowell, Weedon & Co.) $1,250,000

Western Light & Telephone Co., Inc. — Common
(Offering to stockholders—underwritten by Dean Witter & Co.) 57,000 shares

April 21 (Thursday)

Corson (G. & W. H.), Inc. — Common
(Estabrook & Co.; De Haven & Townsend, Crouter & Bodine) 40,000 shares

Pacific Lighting Corp. — Common
(Blyth & Co., Inc.) 600,000 shares

April 25 (Monday)

Astron Corp. — Common
(Van Alstyne, Noel & Co.) $1,000,000

Collins Radio Co. — Preferred
(Offered to common stockholders—underwritten by Kidder, Peabody & Co. and White, Weld & Co.) $6,125,000

Stewart Oil & Gas Co. — Common
(Barrett Herrick & Co., Inc.) $750,000

April 27 (Wednesday)

Clinton Trust Co. — Common
(Offering to stockholders) $200,000

Transcontinental Gas Pipe Line Corp. — Preferred
(White, Weld & Co. and Stone & Webster Securities Corp.) $15,000,000

May 2 (Monday)

Augusta Newspapers, Inc. — Preferred & Common
(Johnson, Lane, Space & Co.)

Dover Corp. — Common
(Cohu & Co.) 106,208 shares

May 10 (Tuesday)

Georgia Power Co. — Bonds
(Bids 11 a.m. EST) $12,000,000

Jersey Central Power & Light Co. — Bonds
(Bids 11 a.m. EST) $20,000,000

New York, Chicago & St. Louis RR. — Eq. Tr. Ctfs.
(Bids to be invited) $4,080,000

May 17 (Tuesday)

Ohio Edison Co. — Bonds
(Bids to be invited) $30,000,000

May 24 (Tuesday)

Alabama Power Co. — Bonds
(Bids 11 a.m. EST) $15,000,000

June 2 (Thursday)

Consolidated Natural Gas Co. — Common
(Offering to stockholders—no underwriting) 738,743 shares

June 3 (Friday)

Illinois Bell Telephone Co. — Common
(Offering to stockholders—no underwriting) 663,469 shares

June 7 (Tuesday)

Central Illinois Electric & Gas Co. — Bonds
(Bids to be invited) $4,000,000

Virginia Electric & Power Co. — Bonds
(Bids to be invited) $25,000,000

September 13 (Tuesday)

Utah Power & Light Co. — Bonds
(Bids to be invited) $15,000,000

Utah Power & Light Co. — Common
(Bids to be invited) 177,500 shares

November 9 (Wednesday)

Southern Co. — Common
(Bids to be invited) 500,000 shares

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—For equipment and working capital. **Business** — Research engineering in electronic and other fields. **Office** —617-33 Brooklyn Ave., Brooklyn 3, N. Y. **Underwriters** —Standard Investing Corp. and Baruch Brothers & Co., Inc., both of New York. **Offering**—Expected early in April.

★ Equitable Securities Co., Indianapolis, Ind. (4/8)
March 24 (letter of notification) 3,000 shares of common stock to be first offered for subscription by common stockholders. **Price**—At par ($50 per share). **Proceeds**—To retire preferred stock and for general corporate purposes. **Underwriter**—City Securities Corp., Indianapolis, Ind.

Farm & Home Loan & Discount Co.
Nov. 29 filed 320,000 shares of class A common stock (par 25 cents), 214,285 shares of class B common stock (par 35 cents) and 300,000 shares of class C common stock (par 50 cents). Price — At par. Proceeds — For working capital. Office—Phoenix, Ariz. Underwriter—None.

★ Fidelity Insurance Co., Mullins, S. C. (4/11)
March 25 (letter of notification) 86,666 shares of common stock (par $1). **Price**—$1.87½ per share. **Proceeds** —To increase capital and surplus. **Underwriters**—McDaniel Lewis & Co., Greensboro, N. C.; Dietenhofer & Heartfeld, Southern Pines, N. C.; and Calhoun & Co., Spartanburg, S. C.

Financial Credit Corp., New York
Jan. 29, 1954 filed 250,000 shares of 7% cumulative sinking fund preferred stock. Price—At par ($2 per share). Proceeds — For working caiptal. Underwriter — E. J. Fountain & Co., Inc., New York.

Flo-Mix Fertilizers Corp., Houma, La.
Feb. 14 filed 585,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To buy equipment and for working capital. **Underwriter** — Tschirn Investment Co., Delta Bldg., New Orleans, La.

Florida Home Insurance Co., Miami, Fla.
March 14 (letter of notification) 3,000 shares of common stock (par $10). **Price**—$24 per share. **Proceeds**—To increase capital and surplus. **Office**—7120 Biscayne Blvd., Miami, Fla. **Underwriter**—None.

Florida Telephone Corp.
March 4 filed 77,350 shares of common stock (par $10) to be offered for subscription by common stockholders of record April 1, 1955, and by certain officers and employees. **Price**—$13 per share. **Proceeds**—For construction program. **Office**—Ocala, Fla. **Underwriter**—None.

Fort Vancouver Plywood Co., Vancouver, Wash.
Feb. 21 filed 397 shares of common stock. **Price**—At par ($4,500 per share). **Proceeds** — For down payment on purchase price of mill facilities and for other expenses. **Underwriter**—John C. O'Brien, one of the promoters.

★ Founders Mutual Depositor Corp., Denver, Colo.
March 29 filed (by amendment) an additional 15,000 systematic payment plan certificates and 500 fully-paid accumulative plan certificates.

Fruehauf Trailer Co., Detroit, Mich. (4/13)
March 24 filed $15,000,000 of convertible subordinated debentures due April 1, 1975. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for working capital. **Underwriter**—Lehman Brothers, New York, N. Y.

Gair (Robert) Co., Inc.
March 28 (letter of notification) 2,306 shares of preferred stock (par $100) to be offered in exchange for 1,237 shares of first preferred stock (par $100) and 1,069 shares of second preferred stock (par $100) of Great Southern Box Co., Inc. on a share-for-share basis. **Underwriter**—None.

Gem Uranium & Oil Co., Salt Lake City, Utah
Dec. 9 (letter of notification) 11,000,000 shares of capital stock (par one cent). Price—Two cents per share. Proceeds—For exploration and development of oil and uranium properties. Office — 414 Judge Bldg., Salt Lake City, Utah. Underwriter—Utah Uranium Brokers, same city.

General Homes, Inc.
Dec. 15 filed 300,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For plant expansion, new equipment, inventory and working capital. Office—Huntington Station, L. I., N. Y. Underwriter—S. D. Fuller & Co., New York.

● General Telephone Co. of Michigan (4/19)
March 29 filed 100,000 shares of $2.40 cumulative preferred stock (par $50). **Price** — To be supplied by amendment. **Proceeds**—To repay bank loans and for redemption of the outstanding $2.75 cumulative preferred stock. **Underwriter**—Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp., both of New York.

● Gerber Products Co., Fremont, Mich.
March 18 filed 99,914 shares of common stock (par $10) being offered for subscription by common stockholders of record April 6 at the rate of one new share for each 20 shares held; rights to expire on April 25. **Price**—$34 per share. **Proceeds**—For general corporate purposes. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

★ Gillette Co.
March 11 (letter of notification) 4,500 shares of common stock (par $1) to be offered to employees pursuant to Stock Purchase Plan (shares to be purchased by company on the New York Stock Exchange not to exceed an aggregate of $300,000). **Underwriter**—None.

★ Globe Life Insurance Co. of Alabama
March 21 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For capital and surplus. **Office**—32 South Perry St., Montgomery, Ala. **Underwriter** — None, sales to be made through Lawrence W. Williams, President, Twin City, Ga.

● Grammes (L. F.) & Sons, Inc., Allentown, Pa.
Feb. 28 (letter of notification) 1,279 shares of common stock (no par) to be offered for subscription by stockholders. **Price**—$22 per share. **Proceeds**—For plant improvement and other general corporate purposes. **Office** —Jordan and Union Sts., Allentown, Pa. **Underwriter**—None. **Offering**—Withdrawn.

★ Gray Manufacturing Co., Hartford, Conn.
March 14 (letter of notification) 1,350 shares of common stock (par $5). **Price**—At market (estimated at $16 per share). **Proceeds** — To four employees who will acquire them pursuant to stock options. **Office** — 16 Arbor St., Hartford, Conn. **Underwriter**—None.

★ Great Frontier Mining Corp.
March 21 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office**—1320 Continental Bank Bldg., Salt Lake City, Utah. **Underwriter**—J. E. Call & Co., Reno, Nev., and Salt Lake City, Utah.

● Gross Telecasting, Inc. (4/13-14)
March 21 filed 193,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Lansing, Mich. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

Gulf Cities Gas Corp., St. Petersburg, Fla.
Feb. 15 (letter of notification) 31,500 shares of class A stock (par $1). **Price**—$7.75 per share. **Proceeds** — To repay notes and other obligations and for working capital. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York. Letter to be withdrawn; full registration of about 50,000 shares expected. **Offering** — Expected about May 2.

Heliogen Products, Inc.
March 7 (letter of notification) 22,670 shares of common stock (par $1), of which 12,670 shares are being offered for subscription by stockholders up to and including June 15, 1955, and 10,000 shares are to be offered publicly. **Price**—$5 per share. **Proceeds**—For working capital, etc. **Office**—35-10 Astoria Blvd., Long Island City, N. Y. **Underwriter**—Smith & Co., Waterville, Me.

Hobby & Brown Electronic Corp.
Feb. 24 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds** —To increase inventory and for working capital. **Office** —55 Front St., Rockville Centre, L. I., N. Y. **Underwriter** —W. Harry Young Co., Garden City, L. I., N. Y.

● Holly Uranium Corp., New York (4/11-15)
Feb. 10 filed 900,000 shares of common stock (par one cent). **Price**—$3.50 per share. **Proceeds**—To exercise certain options on properties in Utah and New Mexico. **Underwriter**—Barrett Herrick & Co., Inc. and Franklin, Meyer & Barnett, both of New York.

★ Horseshoe Bend Uranium, Inc.
March 16 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** —For exploration and development expenses. **Office**—10 West 2nd South, Salt Lake City, Utah. **Underwriters** —James Anthony Securities Corp., New York; Lawrence A. Hays Co., Rochester, N. Y., and Ned J. Bowman Co., Salt Lake City, Utah.

Industrial Hardware Manufacturing Co., Inc.
March 9 filed $3,000,000 of 6% debentures due March 1, 1975, of which $2,596,600 principal amount are to be offered first to stockholders. **Price**—To be supplied by amendment. **Proceeds**—To purchase preferred stock of Hugh H. Eby Co., at par; to purchase real estate, machinery and equipment, etc.; for the acquisition of all common stock of Eby company and to pay certain bank loans and notes payable of Eby. **Underwriters**—Milton D. Blauner & Co., Inc., New York; Hallowell, Sulzberger & Co., Philadelphia; and Baruch Brothers & Co., Inc., New York).

Inland Western Loan & Finance Corp.
Feb. 17 filed 2,500,000 shares of class A non-voting common stock (par $1). **Price**—$1.25 per share. **Proceeds**—To be used as operating capital for its two subsidiaries, and to finance establishment and operation of additional loan and finance offices. **Office**—Phoenix, Ariz. **Underwriter**—None.

Inter American Industries, Inc., New York.
March 25 filed 150,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Baruch Brothers & Co., Inc., New York, on a "best-efforts basis."

★ International Fidelity Insurance Co., Dallas, Tex.
March 30 filed 110,000 shares of common stock (no par). **Price**—$6.50 per share. **Proceeds**—To 12 selling stockholders. **Underwriter**—Name to be supplied by amendment.

★ Investors Insurance Syndicate, Inc.
March 16 (letter of notification) 7,500 shares of class A investment stock and 7,500 shares of class B common stock to be offered in units of 25 shares of each class of stock. **Price**—$1,000 per unit. **Proceeds**—To purchase control of an insurance company. **Office** — 756 West Peachtree St., N. W., Atlanta, Ga. **Underwriter**—None.

Israel Pecan Plantations, Ltd.
Feb. 28 filed 24,900 shares of ordinary common stock (par one Israeli pound). **Price**—$10 per share. **Proceeds** —For capital expenditures. **Underwriter**—None. **Offices** —Natanya, Israel, and New York, N. Y.

Jarmon Properties & Oil Development Corp.
Jan. 17 (letter of notification) 30,000 shares of captal stock. Price—At par ($10 per share). Proceeds—For further exploration and development. Addres—P. O. Box 1109, Wichita Falls, Tex. Underwriter—John A. Aicholt & Associates, 505 Macon St., Fort Worth, Tex., and another.

★ Junction Bit & Tool Co., Grand Junction, Colo.
March 31 (letter of notification) 33,745 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of one new share for each tw[o] shares held. **Price**—$5.35 per share to stockholders; an[d] after 30 days, to public at $6 per share. **Proceeds**—T[o] purchase new plant site and shop building, and to increase inventory and working capital. **Office** — 80[...] Fourth Ave., Grand Junction, Colo. **Underwriter**—Taylor & Co., Chicago, Ill.

Justheim Petroleum Co.
Dec. 9 (letter of notification) 2,650,000 shares of common stock (par five cents). Price—10 cents per share. Proceeds — For oil and mining expenses. Office—31[...] Phillips Petroleum Bldg., Salt Lake City, Utah. Underwriter—Hunter Securities Corp., New York.

Kentucky Utilities Co., Lexington, Ky.
March 7 filed 190,566 shares of common stock (par $10[)] being offered for subscription by common stockholder[s] of record March 21 on the basis of one new share for each 12 shares held; rights expire on April 11. **Price**—$24.75 per share. **Proceeds**—For construction program. **Underwriters**—Blyth & Co. Inc., New York, and J. J. B[...] Hilliard & Son, Louisville, Ky.

★ King Oil Co., Salt Lake City, Utah
March 31 (letter of notification) 260,000 shares of capital stock to be offered for subscription by stockholders. **Price**—50 cents per share. **Proceeds**—For development and drilling expenses and other corporate purposes. **Office** — 28 West Second South, Salt Lake City, Utah. **Underwriter**—None.

Laan-Tex Oil Corp., Dallas, Texas
March 9 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—T[o] pay outstanding debt and for other general corporat[e] purposes. **Underwriter**—Woods & Co., Houston, Tex.

Lee Finance Co., Minneapolis, Minn.
Nov. 3 (letter of notification) 13,000 shares of preferre[d] stock (par $10) and $170,000 of 8% subordinate note[s] due five years from date of issue. Price—At par. Proceeds—To reduce bank loans and for working capital. Office—305 Northwestern Federal Bldg., Minneapolis, Minn. Underwriter—Daniels & Smith, Inc., same city.

Lee Spring Co., Inc. (4/12)
March 18 (letter of notification) 74,685 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds** —For machinery, equipment and working capital. **Business**—Manufactures mechanical coil springs. **Office**—3[...] Main St., Brooklyn 1, N. Y. **Underwriters**—S. D. Fuller & Co., and Vermilye Brothers, both of New York.

★ Liberty Shops, Inc., Meridian, Miss.
March 28 (letter of notification) 500 shares of cumulative preferred stock. **Price** — At par ($100 per share). **Proceeds**—To pay existing accounts and for operating capital. **Office**—204 — 22nd Ave., Meridian, Miss. **Underwriter**—None.

● Lindly & Co., Inc., Mineola, N. Y.
March 24 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—To pay long term loan; to develop and manufacture automatic textile inspection machine; and for working capital; and other general corporate purposes. **Office**—248 Herricks Road, Mineola, N. Y. **Underwriter** —Aetna Securities Corp., New York City. **Offering**—Expected today (April 7).

★ Lost Creek Oil & Uranium Co.
March 25 (letter of notification) 2,995,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining expenses. **Office**—507 West Spruce St., Rawlins, Wyo. **Underwriter**—Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

Lucky Lake Uranium, Inc., Salt Lake City, Utah
Feb. 9 (letter of notification) 8,000,000 shares of capital stock. Price—At par (two cents per share). Proceeds—For mining expenses. Office—201 Boston Building, Salt Lake City, Utah. Underwriter—Kastler Brokerage Co., same city.

Lucky Strike Uranium Corp.
Jan. 4 (letter of notification) 4,300,000 shares of common stock (par one cent). Price—Five cents per share. Proceeds—For mining operations. Office—38 South Main St., Salt Lake City, Utah. Underwriter—Seaboard Securities Corp., Washington, D. C.

● Mallinckrodt Chemical Works (4/18-22)
March 29 filed 40,000 shares of cumulative preferred stock, series C ($50 par-convertible). **Price**—To be supplied by amendment. **Proceeds**—For construction of plant and working capital. **Underwriter** — Newhard, Cook & Co., St. Louis, Mo.

Marble Canyon Uranium, Inc.
Feb. 4 (letter of notification) 20,900,000 shares of common stock. Price—At par (one cent per share). Proceeds—For mining operations. Office—587 — 11th Ave., Salt Lake City, Utah. Underwriter—Potter Investment Co., same city.

Marine Midland Corp.
March 21 filed 70,000 shares of common stock (par $5) to be offered in exchange for all the issued and outstanding capital stock of The Farmers National Bank & Trust Co. of Rome, Rome, N. Y., at the rate of five shares of Marine Midland stock for each share of Farmers National stock held of record April 8, 1955. The offer i[s] subject to acceptance deposit of not less than 80% (11,20[...] shares) of Farmers National. **Underwriter**—None.

arlowe Chemical Co., Inc. (4/14-15)
h 11 (letter of notification) 300,000 shares of com- stock (par one cent). **Price**—$1 per share. **Proceeds** r working capital. **Business** — To manufacture and home unit fire extinguisher. **Office**—17 West 44th New York 36, N. Y. **Underwriter**—General Invest- orp., New York.

ascot Mines, Inc., Kellogg, Ida.
17 (letter of notification) 200,000 shares of common (par 35 cents). **Price**—75 cents per share. **Proceeds** r mining expenses. **Underwriter**—Standard Securi- orp., Spokane, Wash.

assachusetts Life Fund, Boston, Mass.
h 31 filed 80,000 shares or units of beneficial inter- n the Fund. **Price**—At market. **Proceeds**—For in- ent.

cRae Oil & Gas Corp., Denver, Colo. (4/13)
h 24 filed 729,174 shares of common stock (par 10 s), of which 400,000 shares are to be sold by the pany and 329,174 shares by selling stockholders. e—$4 per share. **Proceeds**—To repay bank loan of ,00 and a secured note of $384,000; for acquisition ew properties and the drilling of wells; and for r general corporate purposes. **Underwriters**—First fornia Co., San Francisco, Calif.; and William R. ts & Co., Los Angeles, Calif.

echling (A. L.) Barge Lines, Inc., Joliet, Ill.
ch 31 filed $837,252 of instalment note certificates to ffered in exchange for the 3,578 shares of authorized issued common stock of Marine Transit Co. at rate 234 per share. The balance of $1 of a total purchase r price of $235 per share is to be paid in cash. The hange will be contingent upon acceptance of the r by holders of not less than 81% of the Marine nsit shares.

ercast Corp., New York
ch 30 filed 83,700 shares of capital stock (par 10 s) to be offered for subscription by stockholders of ord April 21, 1955, at rate of three shares for each hares held. **Price** — To be supplied by amendment. ceeds — $300,000 to be advanced to Mercast Mfg. p., a subsidiary; to finance further development re- ng to the improvement of the company's molding cesses; and the balance to reimburse the company, part, for the acquisition of Alloy Precision Castings another subsidiary. **Underwriter**—None.

erritt-Chapman & Scott Corp.
. 21 filed 3,018,567 shares of common stock (par 50) being offered in exchange for outstanding stock New York Shipbuilding Corp., Devoe & Raynolds Inc., Newport Steel Corp., Marion Power Shovel Osgood Co. and Tennessee Products & Chemical p. on the following basis: 675,549 shares to holders he 540,439 outstanding shares of common stock (par of Tennessee Products & Chemical Corp., at the of 1¼ shares for each share of common stock of nessee; 755,105 shares to holders of the 453,063 out- nding shares of class A stock (par $2) of Devoe & nolds Co., Inc. at the rate of 1⅔ shares for each re of class A stock of Devoe; 242,700 shares to holders the 182,025 outstanding shares of class B common k (par $1) of Devoe, at the rate of 1⅓ shares for h of class B common stock of Devoe; 1,290,252 shares holders of the 1,290,252 outstanding shares of common k (par $1) of New York Shipbuilding Corp., at the e of one share for each share of common stock of N. Y pbuilding; 27,907 shares to holders of the 58,605 out- nding shares of common stock (par $1) of Newport Steel rp., not owned by Merritt, at the rate of one share each 2.1 shares of common stock of Newport; 26,114 res to holders of the 17,409 outstanding shares of mon stock (par $10) of Marion Power Shovel Co., owned by Merritt, at the rate of 1½ shares for h share of common stock of Marion; and 940 shares holders of the 1,410 outstanding shares of class B mon stock (without par value) of the Osgood Co., owned by Merritt or Marion, at the rate of one share each 1½ shares of class B common stock of Osgood fer will expire on April 15. **Dealer-Manager**—A. C. yn & Co., Inc. for Devoe & Raynolds exchange.

Mesa-Loma Mining Corp., Fort Collins, Colo.
rch 29 (letter of notification) 1,000,000 shares of com- n stock. **Price**—At par (one cent per share). **Pro- eds**—For mining expenses. **Office**—415 Peterson St., rt Collins, Colo. **Underwriter** — Petroleum Finance rp., Oklahoma City, Okla.

Metallics Recovery Corp., Florence, Colo.
rch 14 (letter of notification) 600,000 shares of com- n stock (par five cents). **Price**—50 cents per share. oceeds—For general corporate purposes. **Underwriter** Universal Securities Co., New York.

Mi-Ame Canned Beverages Co., Hialeah, Fla.
t. 28 (letter of notification) 200,000 shares of common ck. **Price**—At par ($1 per share). **Proceeds**—To pur- ase raw materials and new machinery, and for work- g capital. **Underwriter** — Frank D. Newman & Co., iami, Fla.

Micro-Moisture Controls, Inc.
n. 13 (letter of notification) $250,000 of 6⅝% income nvertible debentures (subordinated) due Feb. 1, 1965, be offered initially to stockholders. **Price**—100% of r (in units of $100 or multiples thereof). **Proceeds**— r working capital, etc. **Office**—22 Jericho Turnpike, ineola, N. Y. **Underwriter**—None.

Military Investors Financial Corp.
ec. 1 (letter of notification) 150,000 shares of common ock (par 25 cents). **Price**—$2 per share. **Proceeds**— r general corporate purposes. **Office**—2310 Main St., uston, Texas. **Underwriter**—Cobb & Co., Inc., same y.

Millsap Oil & Gas Co., Siloam Springs, Ark.
March 17 (letter of notification) 599,200 shares of common stock (par 10 cents). **Price** — 50 cents per share. **Proceeds**—For oil and gas activities. **Office**—518 Main St., Siloam Springs, Ark. **Underwriter**—Dewitt Investment Co., Wilmington, Del.

★ Moab Minerals, Inc., Moab, Utah
March 28 (letter of notification) 30,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds** — For mining expenses. **Office** — Archer Bldg., Moab, Utah. **Underwriter**—Guss & Mednick, Salt Lake City, Utah.

Mohawk Business Machines Corp.
March 18 (letter of notification) $175,000 of convertible three-year notes. **Price** — At 100% of principal amount. **Proceeds**—To reduce accounts payable and other general corporate purposes. **Office**—944 Halsey St., Brooklyn 33, N. Y. **Underwriter**—None.

★ Monarch Uranium Co., Salt Lake City, Utah
March 28 (letter of notification) 15,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office**—430 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Ned J. Bowman Co., same city.

Montezuma Uranium, Inc., Denver, Colo.
Jan. 5 (letter of notification) 3,000,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds**—For exploration and development operations. **Office**—Ernest and Cranmer Bldg., Denver, Colo. **Underwriter**—Investment Service Co., same city.

★ National Investors Corp., New York
March 29 filed (by amendment) 500,000 additional shares of capital stock. **Price**—At market. **Proceeds**—For investment.

★ National Union Life Insurance Co.
March 22 (letter of notification) 5,000 shares of common stock (par $1). **Price**—$38 per share. **Proceeds**—For expansion and working capital. **Office**—Birmingham, Ala. **Underwriter**—None.

Nevada-Utah Uranium & Oil Corp.
March 18 (letter of notification) 1,175,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Chippewa Securities Corp., 226 West 47th St., New York City.

New Yorker Magazine, Inc.
March 23 (letter of notification) 3,000 shares of common stock (par $1). **Price**—$30.50 per share. **Proceeds**—To Raoul H. Fleischmann, the selling stockholder. **Office** —25 West 43rd St., New York, N. Y. **Underwriter**— Silberberg & Co., New York.

Norden-Ketay Corp., New York
March 16 filed 22,500 shares of common stock issuable pursuant to exercise of 90,000 stock purchase warrants sold to the underwriters of the public offering in 1951 of 400,000 shares of common stock of The Norden Laboratories. The warrant holders are entitled to receive one share of Norden-Ketay stock for each four warrants exercised at $12 per share. **Proceeds**—For general corporate purposes.

★ Out West Uranium & Oil Co., Denver, Colo.
Feb. 28 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds** —For mining expenses. **Office**—800 Denver Club Bldg., Denver, Colo. **Underwriter**—None.

● Pacific Lighting Corp. (4/21)
March 30 filed 600,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for advances to subsidiaries. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Pacific Northwest Pipeline Corp. (4/11-15)
March 9 filed $17,220,000 of 6% interim notes due June 1, 1957 and 287,000 shares of common stock (par $1) to be offered in units of $60 principal amount of notes and one share of stock. **Price**—To be supplied by amendment (expected to be $70 per unit). **Proceeds**—Together with other funds, to finance construction of a 1,466 mile natural gas pipe line between Ignacio, Colo., and Sumas, Wash. on the Canadian border. **Underwriters** — White, Weld & Co.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp. Financing plans also include offering to present stockholders of 1,549,100 shares of common stock $10 per share, without underwriting.

● Pan American Sulphur Co., Dallas, Texas
March 18 filed $4,651,200 of subordinated debentures, due April 1, 1967 (convertible until April 1, 1964) being offered for subscription by stockholders of record April 6 at rate of $100 debentures for each 40 shares of stock held; rights to expire April 20. **Price**—At 100% of principal amount. **Proceeds**—For working capital. **Underwriters**—Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co., both of New York. **Offering** — Expected to be made today (April 7).

★ Payrock Uranium Mining Corp.
March 28 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds** — For mining operations. **Office** — 901 Texas Ave., Grand Junction, Colo. **Underwriter** — Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

Peninsular Telephone Co., Tampa, Fla. (4/18)
March 25 filed 158,203 shares of common stock (no par) to be offered for subscription by common stockholders of record April 15 on the basis of one new share for each five held; officers and employees to be entitled to purchase any unsubscribed shares. Rights will expire on May 2. **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriters**—Morgan Stanley & Co. and Coggeshall & Hicks, both of New York.

Petro-Minerals, Inc., Houston, Tex.
March 15 filed 500,000 shares of capital stock (par 10 cents), of which 195,714 shares are to be offered by company and 304,286 shares by a selling stockholder, to be offered for subscription by stockholders and warrant holders of Johnston Oil & Gas Co. of record April 1 on the basis of one new share for each four shares of Johnston Oil stock held (or represented by warrants held). Johnston Oil has agreed to purchase any company shares not purchased by other Johnston Oil stockholders. **Price** —$1 per share. **Proceeds**—For geological and other expenses, and for other general corporate expenses. **Underwriter**—None.

Philadelphia Electric Co. (4/18)
March 29 filed $50,000,000 of first and refunding mortgage bonds, due 1985. **Proceeds**—To redeem $30,000,000 of 3⅞% bonds presently outstanding and to help finance construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co. and Drexel & Co. (jointly); Kuhn, Loeb & Co. and Union Securities Corp. (jointly); White, Weld & Co. **Bids**—Expected to be received up to noon (EST) on April 18.

Public Service Co. of Indiana, Inc. (4/14)
March 18 filed 202,431 shares of 4.20% cumulative preferred stock, par $100 (convertible into common stock after July 1, 1956) to be offered for subscription by common stockholders of record April 13 on the basis of one preferred share for each 21 shares of common stock held; rights to expire on May 9. **Price**—$105 per share. **Proceeds**—For repayment of bank loans and for property additions. **Underwriter**—None.

Public Service Electric & Gas Co.
Dec. 22 filed 250,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans and for construction program. **Underwriters**—Morgan Stanley & Co.; Drexel & Co.; and Glore, Forgan & Co. **Offering** — Temporarily delayed.

Pyramid Life Insurance Co., Charlotte, N. C.
Feb. 15 filed 250,000 shares of capital stock (par $1) to be offered for subscription by common stockholders of record March 1, 1955 on the basis of one new share for each three shares held. Any shares remaining unsubscribed 30 days following date of mailing of warrants will be disposed of through the company's executive committee. **Price**—$3.75 per share. **Proceeds**—To expand business. **Underwriter**—None.

Revere Realty, Inc., Cincinnati, Ohio
March 8 filed $1,000,000 of 5½% cumulative convertible debentures due Jan. 1, 1980 and 25,000 shares of common stock (no par). **Price**—Par for debentures and $100 per share for stock. **Proceeds** — To purchase real estate or interest therein. **Underwriter**—Stanley Cooper Co., Inc., Cincinnati, O.

Ritter Finance Co., Inc., Syncote, Pa.
Feb. 24 filed 4,000 shares of 5½% cumulative preferred stock, third series (par $50) and 40,000 shares of class B common stock (par $1) to be offered in units of one preferred share and 10 class B shares. **Price**—$75 per unit. **Proceeds**—To reduce bank loans and for working capital. **Underwriter**—None.

● Ryder System, Inc., Miami, Fla. (4/18)
March 28 filed 160,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To repay debt to Great Southern Trucking Co., for equity investment in Ryder Truck Rental System, Inc.; for working capital; and expansion of Ryder System and its subsidiaries. **Underwriter**—Blyth & Co., Inc., New York.

San Miguel Uranium Mines, Inc.
Jan. 6 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds** — For mining operations. **Office** — Mineral Bldg., Grand Junction, Colo. **Underwriter** — Tellier & Co., Jersey City, N. J.

★ Santa Fe Western Gas & Uranium Corp.
Feb. 25 (letter of notification) 74,981 shares of common stock (par one cent). **Price**—$1.06¼ per share. **Proceeds** —For working capital. **Office**—1022 Park S.W., Albuquerque, N.M. **Underwriters** — Edward V. Otis, Alfred Kruhm, Hunter Securities Corp. and Greene & Co., all of New York City; and Lawrence A. Hayes, Rochester, N. Y.

★ Santa's Workshop of Colorado, Inc.
March 1 (letter of notification) $240,000 of 10-year 5% promissory notes and 60,000 shares of class B common stock (par $1) to be offered in units of $400 of notes and 100 shares of stock. **Price**—$500 per unit. **Proceeds**—For working capital, etc. **Address**—c/o Wesley R. Spurry, Pine Cliff Ranch, Sedalia, Colo. **Underwriter**—None.

Savannah Electric & Power Co. (4/14)
March 17 filed 165,000 shares of common stock (par $10), of which 65,000 shares are to be offered for sale by the company and 100,000 shares by the Donner Family Trusts and Donner Foundation, Inc. **Price**—To be supplied by amendment. **Proceeds** — To repay bank loans and for new construction. **Underwriters**—The First Boston Corp. and Stone & Webster Securities Corp., both of New York.

★ Silver Creek Precision Corp.
March 31 filed $600,000 of 10-year convertible 6% debentures due June 30, 1965. **Price**—At 100% of principal amount (in denominations of $100 each). **Proceeds**— For working capital and general corporate purposes. **Office**—Silver Creek, N. Y. **Underwriter**—General Investing Corp., New York.

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Silver Pick Uranium, Inc., Reno, Nev.
Nov. 22 (letter of notification) 2,994,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds**—For exploration and development costs. **Office**—211-206 N. Virginia Street, Reno, Nev. **Underwriter**—Western Securities Corp., Las Vegas, Nev.

★ Sinclair Oil Corp.
April 1 filed $12,000,000 of participations in the Employees Savings Plan of this corporation, and 200,000 shares of common stock which may be purchased pursuant to the plan.

Sinclair Oil Corp., New York
March 7 filed 337,830 shares of common stock (no par) being offered in exchange for shares of capital stock of Venezuelan Petroleum Co. in the ratio of five shares of Sinclair stock for each eight shares of Venezuelan stock tendered for exchange. The offer will expire on April 21 and is subject to deposit of at least 450,000 shares with Chemical Corn Exchange Bank, New York City.

Slick Rock Uranium Development Corp.
Oct. 8 (letter of notification) 2,900,000 shares of common stock (par five cents), including shares for option to underwriter and prior property owner to be amended **Price**—10 cents per share. **Proceeds**—For development and exploration expenses. **Office**—Newhouse Hotel, Salt Lake City, Utah. **Underwriter** — Van Blerkom & Co., same city.

Solomon Uranium & Oil Corp., Inc.
Oct. 7 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 10 cents per share **Proceeds**—For mining expenses. **Offices** — 506 Beason Bldg., Salt Lake City, Utah, and 1016 Baltimore Bldg., Kansas City, Mo. **Underwriter**—E. R. Bell & Co., Kansas City, Mo.

Southeastern Public Service Co.
Jan. 24 (letter of notification) 28,000 shares of common stock (par 10 cents) being offered in exchange for Hamilton Gas Corp. capital stock (par $1) on the basis of 3½ Southeastern shares for each Hamilton share. This offer shall terminate when offer shall have been accepted by Hamilton stockholders owning not in excess of 8,000 shares of Hamilton stock. **Office**—70 Pine St., New York 5, N. Y. **Underwriter**—None.

● Southern States Oil Co. (4/11-15)
Feb. 25 filed 250,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For further exploration and development of properties, for drilling costs and for acquisition of interests in other oil companies. **Office** — Laurel, Miss. **Underwriter** — Gordon Graves & Co., Inc., New York.

Southern Union Oils, Ltd.
Feb. 16 filed 1,211,002 shares of common stock (par $1) of which 511,002 shares are being offered for subscription by existing stockholders on a basis of one new share for each share held, as of March 15; rights to expire on April 12. **Price** — To stockholders, 50 cents per share; and to public, at a market price to be equivalent to last sale on Toronto Stock Exchange—65c-75c (ex-rights) per share. **Proceeds**—For exploratory and developmental expenses; for possible acquisition of additional oil and gas interests; and to meet current liabilities. **Office**—Toronto, Canada. **Underwriter** — Willis E. Burnside & Co., Inc., New York.

★ Sovereign Investors, Inc., Philadelphia, Pa.
April 4 filed (by amendment) 100,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ Standard Veneer & Timber Co.
March 17 (letter of notification) $300,000 of 6% 10-year series A debentures to be offered for sale to shareholder-employees. **Price**—At 100% (in denominations of $100 each). **Proceeds**—For working capital and general corporate purposes. **Address**—P. O. Box 578, Crescent City, Calif. **Underwriter**—None.

● Stewart Oil & Gas Co. (4/25-29)
March 14 filed 750,000 shares of common stock (par 10¢). **Price**—$1 per share. **Proceeds**—To repay bank loan, and for development of properties and other activities incident to oil and gas operations. **Office** — San Angelo, Texas. **Underwriter**—Barrett Herrick & Co., Inc, New York.

★ Summit Finance, Inc.
March 16 (letter of notification) $50,000 of 6% cumulative deferred debentures. **Price**—At par. **Proceeds**—For working capital. **Business**—Small loans. **Office**—447 Springfield Ave., Summit, N. J. **Underwriter**—None.

Sun Hotel, Inc., Las Vegas, Nev.
Feb. 16 filed 760,000 shares of pfd. capital stk. (par $9.50) and 1,540,000 shares of common capital stock (par 25 cents), of which 680,000 shares of preferred and 1,360,000 shares are to be offered in units of one preferred and two common shares; the remaining 80,000 shares of preferred stock and 180,000 shares of common stock may be exchanged for properties. **Price**—$10 per unit. **Proceeds**—To purchase property; for construction of hotel; and for working capital. **Underwriter**—Coombs & Co., Salt Lake City, Utah.

Sunshine Park Racing Association, Inc. (Fla.)
Nov. 18 filed $700,000 of 6% convertible sinking fund debentures due 1966 and 70,000 shares of common stock (par 10 cents). **Price** — 100% and accrued interest for debentures and $2 per share for stock. **Proceeds**—To repay bank loans, for new construction and for working capital. **Underwriter**—Gulf-Atlantic, Inc., Tampa, Fla.

Swedes Uranium Corp., Salt Lake City, Utah
Jan. 5 (letter of notification) 2,500,000 shares of common stock (par three cents) **Price**—10 cents per share **Proceeds**—For exploration and development expenses **Office**—Newhouse Bldg., Salt Lake City, Utah. **Underwriter**—Guss & Mednick Co., same city.

★ Terlingua Mercury Corp.
March 5 (letter of notification) 300,000 shares of common stock (par two cents). **Price**—$1 per share. **Proceeds**—For working capital. **Underwriter** — Gulf Securities Co., Houston, Texas.

★ Texas-Illinois Gas & Electric Co.
April 4 filed 50,000 shares of common stock (par $1) to be reserved for issuance under company's Employee Stock Purchase Plan.

Texas International Sulphur Co.
June 21 filed 455,000 shares of common stock (par 10 cents), of which 385,000 shares are to be offered for subscription by common stockholders at the rate of one new share for each 4½ shares held; and 70,000 shares are for account of certain selling stockholders. Price—To be supplied by amendment. Proceeds—For exploration and drilling, and payment of bank loans and advances Underwriter—Vickers Brothers, New York, on a "best efforts" basis.

Texboard, Inc., Dallas, Texas
Jan. 17 filed $1,500,000 of 6% series A debentures due serially from Feb. 1, 1957 to Aug. 1, 1961, and $1,000,000 of 6% series B convertible debentures due serially from Feb. 1, 1962 to Aug. 1, 1966. **Price**—To be supplied by amendment. **Proceeds**—To construct and operate a manufacturing plant near Orange, Tex., for the purpose of manufacturing insulation building products. **Underwriter**—Emerson Cook Co., Palm Beach, Fla.

★ Thorburg Uranium Mines, Inc., Grand Junction, Colo.
Feb. 25 (letter of notification) 100 shares of common stock (no par). **Price**—$1,050 per share. **Proceeds**—For mining operations. **Office**—160 West Main St., Grand Junction, Colo. **Underwriters**—B. V. Christie & Co. and Crockett & Co., both of Houston, Tex.

Thunderbird Uranium Co., Reno, Nev.
Aug. 3 (letter of notification) 1,800,000 shares of common stock (par 10 cents). Price — 15 cents per share. Proceeds—For mining activities. Office—206 N. Virginia St., Reno, Neb. Underwriter—Stock, Inc., Salt Lake City.

Tip Top Uranium & Oil, Inc., Denver, Colo.
Feb. 1 (letter of notification) 30,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—1122 Mile High Center, Denver 2, Colo. **Underwriter**—Robert W. Wilson, 1717 East Colfax Ave., Denver, Colo.

Topp Industries, Inc., Los Angeles, Calif.
March 9 filed 153,500 shares of common stock (par $1), of which 139,500 shares are to be offered publicly. **Price**—To be supplied by amendment. **Proceeds**—For prepayment of rentals; $46,000 to retire outstanding $10 par preferred stock; to purchase substantially all of the assets of Standard Electronics Manufacturing Co.; for leasehold improvements; to purchase one-half interest in parking area presently leased from Gira Co.; and for working capital, etc. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Trans-Continental Uranium Corp.
Oct. 1 (letter of notification) 2,990,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For exploration and development costs. **Office**—358 S. 3rd St. East, Salt Lake City, Utah. **Underwriter**—Western Securities Corp., same city.

Transcontinental Gas Pipe Line Corp. (4/27)
March 29 filed 150,000 shares of cumulative preferred stock (no par—stated value $100 per share). **Price**—To be supplied by amendment. **Proceeds** — To finance part of 1955 construction program. **Underwriters**—White, Weld & Co. and Stone & Webster Securities Corp., both of New York.

★ Typhoon Prop-R-Temp Corp.
March 17 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For working capital, equipment and expansion. **Office**—118 E. Buffalo Ave., Tampa, Fla. **Underwriter**—None.

Union Club, Inc., Hollywood, Calif.
March 1 filed 30,000 shares of preferred stock (par $50) and 100,000 shares of common stock (par $10) to be offered in units of three preferred and 10 common shares. **Price**—$400 per unit. **Proceeds**—For purchase of property, construction of hotel, athletic and health facilities, and working capital. **Underwriter**—None, but sales will be made through agents.

★ Union Uranium Co., Denver, Colo.
March 2 (letter of notification) 10,650,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office** — 230 East 19th Ave., Denver, Colo. **Underwriter**—J. W. Hicks & Co., same city.

★ U. S. Electro-Board, Inc., Denver, Colo.
Feb. 23 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For expansion and working capital. **Office**—520 Empire Bldg., Denver, Colo. **Underwriters**—Fidelity Securities Corp., Denver, Colo., and Justin Steppler, Inc., New York, N. Y. **Offering**—Now being made.

U. S. Igniter Corp., Philadelphia, Pa.
March 18 (letter of notiifcation) 100,000 shares of class A common stock (par 50 cents). **Price** — $3 per share. **Proceeds**—To pay debt, buy equipment and machinery and for working capital. **Business**—Manufactures a new type of spark plug. **Underwriter** — Allen E. Beers Co., Philadelphia, Pa.

★ United Oil & Gas Co., Inc.
March 1 (letter of notification) 150,000 shares of common stock (par $1) to be offered in exchange for oil and gas leases at rate of $50 par value of stock for each acre of oil and gas leasehold. **Office**—503 Central Ave., N. E., Albuquerque, N. M. **Underwriter**—None.

United Uranium Corp., Denver, Colo.
Jan. 26 (letter of notification) 4,133,329 shares of common stock (par one cent), of which 2,133,329 shares are covered by an offer of rescission to 37 shareholders at three cents per share; and 2,000,000 shares are to be publicly offered at 10 cents per share. **Proceeds**—For mining expenses. **Underwriter**—John L. Donahue, 430 16th Street, Denver 2, Colo.

Universal Finance Corp., Dallas, Texas
Feb. 16 (letter of notification) 27,000 shares of 70-cent cumulative preferred stock (no par) and 27,000 shares of common stock (par 15 cents) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds** — For working capital. **Underwriter** — J. F. Perkins & Co., Dallas, Texas.

Vada Uranium Corp., Ely, Nev.
Jan. 17 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 15 cents per share. **Proceeds**—For mining expenses. **Office**—280 Aultman St., Ely, Nev. **Underwriter**—Bristol Securities Co., Fall River, Mass.

Vandersee Corp.
March 10 (letter of notification) 200,000 shares of Class A stock (par $1). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Office**—1416 Chestnut Ave., Hillside, N. J. **Underwriter**—None.

Webster Uranium Mines, Ltd., Toronto, Canada
Dec. 30 (regulation "D") 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Underwriter**—James Anthony Securities Corp., New York. **Offering**—Expected in two or three weeks.

Wenga Copper Mines, Inc., N. Y.
Nov. 18 (Regulation "D") 900,000 shares of common stock (par five cents). Price—30 cents per share. Proceeds—For general corporate purposes. Underwriter—Willis E. Burnside & Co., New York.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20, 1952 filed $29,000,000 12-year 6% debentures due Dec. 15, 1964, and 580,000 shares of common stock (par 50 cents) to be offered in units of one $50 debenture and one share of stock. Price—To be supplied by amendment. Proceeds—From sale of units and 1,125,000 additional shares of common stock and private sales of $55,000,000 first mortgage bonds to be used to build a 1,030 mile crude oil pipeline. Underwriters — White, Weld & Co. and Union Securities Corp., both of New York. Offering—Postponed indefinitely.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20, 1952 filed 1,125,000 shares of common stock (par 50 cents). Price—To be supplied by amendment. Proceeds—Together with other funds, to be used to build pipeline. Underwriters—White, Weld & Co. and Union Securities Corp., both of New York. Offering—Postponed indefinitely.

Western Hills Inn, Fort Worth, Texas
Jan. 31 filed 200,000 shares of capital stock (no par). **Price**—$5 per share. **Proceeds**—Together with other funds, to construct, furnish and equip hotel to be built between Dallas and Fort Worth, Texas. **Underwriter**—Schwanz & Co., Inc., Aurora, Ill.

● Western Light & Telephone Co., Inc. (4/20)
March 30 filed 57,000 shares of common stock (par $10) to be offered for subscription by common stockholders at rate of one new share for each seven shares held as of April 15. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans and for new construction. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

★ Whitehall Fund, Inc., New York
March 29 filed (by amendment) 200,000 additional shares of capital stock. **Price**—At market. **Proceeds**—For investment.

Wilrich Petroleum, Ltd., Toronto, Canada
March 24 filed 2,000,000 shares of capital stock (par $1), of which 1,000,000 shares are to be issued in payment for certain properties to be acquired from American Trading Co., Ltd. who will purchase the remaining 1,000,000 shares for $455,000. **Proceeds**—For exploration and development costs and working capital. **Underwriter**—None.

★ Wind River Uranium Co., Salt Lake City, Utah
Feb. 25 (letter of notification) 26,750,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—Suite 201, 65 East 4th South, Salt Lake City, Utah. **Underwriter**—Guss and Mednick Co., same city.

Winfield Mining Co., Moab, Utah.
Jan. 20 (letter of notification) 500,000 shares of common stock (par five cents). **Price**—20 cents per share. **Proceeds**—For mining expenses. **Office**—M. L. C. Bldg., P. O. Box 648, Moab, Utah. **Underwriter**—Security Uranium Service, K. O. V. O. Bldg., Provo, Utah.

★ Wisconsin Investment Co., Milwaukee, Wis.
April 4 filed (by amendment) 300,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ W. J. Management Co., Chicago, Ill.
March 25 (letter of notification) 10,000 shares of common stock (par $10) to be offered only to employees of Wilson-Jones Co. and its subsidiaries. **Price** — $14 per share. **Office**—209 So. Jefferson St., Chicago, Ill. **Underwriter**—None.

★ W & M Oil Co., Lincoln, Neb.
Feb. 25 (letter of notification)225,000 shares of common stock (par $1). **Price**—$1.30 per share. **Proceeds**—For oil and mining activities. **Office**—116 S. 15th St., Lincoln, Neb. **Underwriter** — None. J. Keith Walker is President.

Woman's Income Fund, Inc., Baltimore, Md.
n. 28 filed 500,000 shares of capital stock. **Price**—At arket. **Proceeds**—For investment. **Underwriter**—Ime Managers Inc., New York, which is under the diection of its President, Pierre A. DuVal, of DuVal's onsensus Inc.

Woodland Oil & Gas Co., Inc.
ec. 21 (letter of notification) 299,900 shares of common ock (par 10 cents). **Price**—$1 per share. **Proceeds**—or equipment, drilling expenses and working capital ffice—42 Broadway, New York, N. Y. **Underwriter**—. M. North Co., Inc., same address.

Woodward & Lothrop, Inc. (4/12)
arch 18 filed 30,000 shares of common stock (par $10). rice — To be supplied by amendment. **Proceeds**—For eduction of bank loans and working capital. **Office**—ashington, D. C. **Underwriter**—Alex. Brown & Sons, altimore, Md.

Wy-Okla Oil & Uranium Co., Denver, Colo.
arch 29 (letter of notification) 3,000,000 shares of ommon stock (par two cents). **Price** — 10 cents per hare. **Proceeds** — For mining expenses. **Office** — 804 enver Club Bldg., Denver, Colo. **Underwriter**—Caroll, Kirchner & Jacquith, Inc., Denver, Colo., and Robrt R. Baker & Co., Inc., Fort Collins, Colo.

Wynn Pharmacal Corp.
ec. 23 (letter of notification) 85,000 shares of class B ommon stock (par 10 cents). **Price**—$2.50 per share. **roceeds** — For production, development and sale of ompany's products, working capital and other corpoate purposes. **Office**—5113 West Stiles St., Philadelhia, Pa. **Underwriter**—Charles A. Taggart & Co., same ity.

Wyoming Minerals Corp., Thermopolis, Wyo.
eb. 16 (letter of notification) 250,000 shares of common tock. **Price**—$1 per share. **Proceeds**—To pay current ills and purchase equipment and supplies. **Underwriter** —H. P. Jesperson, 2111 Nicholas St., Omaha, Neb.

Prospective Offerings

Alabama Power Co. (5/24)
ec. 30 it was announced company plans to issue and ell $15,000,000 first mortgage bonds due 1985. **Proceeds** —To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. robable bidders: Halsey, Stuart & Co. Inc.; Morgan tanley & Co.; Union Securities Corp., Equitable Securiies Corp. and Drexel & Co. (jointly); The First Boston orp.; Lehman Brothers; Harriman Ripley & Co. Inc.; lyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **ids**—Expected to be received up to 11 a.m. (EST) on ay 24. **Registration**—Scheduled for April 27.

Alleghany Corp.
eb. 10 company offered 1,367,440 shares of 6% convertble preferred stock (par $10) in exchange for the outtanding 136,744 shares of 5½% cumulative preferred tock, series A (par $100) on the basis of ten shares of % stock for each 5½% preferred share held. **Dealer-**Manager—Kidder, Peabody & Co., New York.

American Telephone & Telegraph Co.
Feb. 16 directors voted to recommend to stockholders hat they authorize a new issue of not to exceed $650,000,-000 convertible debentures at their annual meeting to be held on April 20. When issued, each stockholder would receive rights to purchase the debentures in proportion to his holdings of stock (probably on the basis f $100 of debentures for each eight shares of stock held). **Underwriter**—None.

American Trust Co., San Francisco, Calif.
March 22 it was announced stockholders will vote April 7 on increasing the authorized capital stock (par $10) rom 2,500,000 shares to 3,500,000 shares to provide for n offering to stockholders on the basis of one new share for each four shares held. There are now 2,225,000 shares presently outstanding. **Underwriter** — May be Blyth & Co., Inc., San Francisco, Calif.

Baltimore & Ohio RR.
Feb. 10 company received ICC exemption from competitive bidding of up to $345,000,000 of new securities. **Proceeds**—For refunding. **Underwriter**—Feb. 16, Howard E. Simpson, President, announced Glore, Forgan & Co., Halsey, Stuart & Co. Inc. and Alex. Brown & Sons have been engaged to continue studies and formulate plans looking towards a simplification of the railroad's debt structure and a reduction in over-all interest costs.

★ **Braniff Airways, Inc.**
April 4, Charles E. Beard, President, announced that the company plans the sale to its stockholders of approximately $6,000,000 of common stock on a pro rata basis. **Proceeds**—From sale of stock, together with funds from a $15,000,000 long-term institutional loan, to be used to finance the purchase of seven DC-7C aircraft which are scheduled for delivery in 1956 or early 1957. **Underwriter** —Probably E. Eberstadt & Co., Inc., New York.

Bridgeport Hydraulic Co.
March 7 it was reported company plans to offer 22,688 additional shares of common stock (no par) to its stockholders on a 1-for-8 basis. **Underwriter**—Smith, Ramsay & Co., Inc., Bridgeport, Conn. **Offering** — Expected in June.

Central Illinois Electric & Gas Co. (6/7)
March 28 it was reported company plans to issue and sell $4,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Kidder, Peabody & Co. **Bids**—Expected to be received on June 7. **Registration**—Planned for May 6.

Central Maine Power Co.
Dec. 31, W. F. Wyman, President, stated that company plans to issue and sell some additional common stock, par $10 (probably to stockholders) in the latter part of 1955. **Proceeds**—For construction program. **Underwriter** —May be determined by competitive bidding. Probable bidders: The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly).

Chicago Corp.
Feb. 14 it was announced company plans to offer to its common stockholders the right to subscribe for one new share of common stock for each five shares held. Stockholders will vote April 29 on increasing authorized common stock from 4,000,000 to 5,000,000 shares. **Price**—To be determined shortly before offering is made. **Proceeds**—For new construction and general corporate purposes. **Underwriter** — May be Glore, Forgan & Co., Chicago., Ill.

Citizens & Southern National Bank, Savannah, Ga.
March 8 it was reported stockholders will vote April 12 on approving a proposed offering for a period of 30 days of 200,000 shares of capital stock (par $10) to stockholders on the basis of two new shares for each seven shares held. **Price**—$30 per share. **Proceeds**—To increase capital and surplus.

★ **Clinton Trust Co., New York (4/27)**
April 1 it was announced stockholders will vote April 27 on increasing the authorized capital stock (par $10) from 120,000 shares to 130,000 shares, the additional 10,-000 shares to be offered for subscription by stockholders of record April 15 on the basis of one new share for each 12 shares held; rights to expire on May 20. **Price**—$20 per share. **Proceeds**—To increase capital and surplus. **Office**—857 Tenth Ave., New York, N. Y.

Commonwealth Edison Co.
Jan. 24, Willis Gale, Chairman, announced it should be Fall before the company undertakes its next financing **Proceeds**—For new construction, which, it is estimated, will cost about $125,000,0000 in 1955. **Underwriters**—For last equity financing were The First Boston Corp. and Glore, Forgan & Co.

Community Telephone Co. of Wisconsin
March 28 it was reported company plans to issue and sell (to residents of Wisconsin) 14,000 shares of 5¾% cumulative preferred stock (par $25). **Underwriters**—Loewi & Co., Milwaukee, Wis.; and Bell & Farrell, Inc., Madison, Wis.

● **Consolidated Natural Gas Co. (6/2)**
March 17 the directors approved a plan for offering up to 738,743 additional shares of capital stock for subscription by stockholders on the basis of one new share for each 10 shares held. The offering is tentatively scheduled for early in June. **Proceeds**—Principally to repay outstanding bank loans. **Underwriter**—None.

Consolidated Uranium Mines, Inc.
July 23 stockholders authorized the issuance and sale of not to exceed $6,000,000 convertible debenture bonds in connection with the acquisition of Uranium Mines of America, Inc. stock. Public offering of $2,000,000 bonds expected early in 1955. **Underwriter** — Tellier & Co., Jersey City, N. J.

Continental Can Co., Inc.
March 25 it was announced preferred stockholders will vote April 18 on approving creation of not to exceed an additional $25,000,000 of debentures or other indebtedness maturing later than one year after the date thereof. **Underwriters**—Goldman, Sachs & Co. and Lehman Brothers, both of New York.

★ **Cutter Laboratories, Berkeley, Calif.**
April 1 it was announced company plans, following a proposed reclassification of 524,261 shares of outstanding common stock into 524,261 shares of limited voting common stock and 524,261 shares of voting common stock, to sell some additional limited voting common stock. **Proceeds**—To reduce bank loans, reimburse working capital for acquisitions made and for expansion program. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

Detroit Edison Co.
Jan. 21 it was announced stockholders on May 2 will vote on authorizing about $60,000,000 of convertible debentures. Previous offer of convertible debentures was made to stockholders without underwriting.

Doman Helicopters, Inc.
Feb. 17 Donald S. B. Waters, President, announced stockholders voted to increase authorized capital stock from 1,000,000 shares to 3,000,000 shares in anticipation of expansion of the company's activities. **Underwriter**—Previous financing handled by Greene & Co., New York.

Florida Power Corp.
Dec. 31 it was reported company plans to offer to its stockholders about 232,000 additional shares of common stock on a 1-for-10 basis in May or June 1955. **Underwriters**: Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane.

Florida Power Corp.
Dec. 31 it was reported company may issue and sell late in 1955 about $10,000,000 of first mortgage bonds. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); Glore, Forgan & Co.; and The First Boston Corp.

Ford Motor Co., Detroit, Mich.
March 15 it was reported that following a probable 10-for-1 stock split, an offering of approximately 4,000,000 new shares will be made to the public. **Price**—Expected to be around $60 per share. **Proceeds** — To the Ford Foundation. **Offering**—Probably in June.

★ **Freedom Insurance Co., Berkeley, Calif.**
March 28 it was reported that company (in process of organization) plans to sell initially a minimum of $2,-000,000 of capital stock at $22 per share. **Business** — To write casualty, fire and allied coverage. **President**—Ray B. Wiser, 2054 University Ave., Berkeley, Calif.

● **Frito Co.**
March 23 it was reported company plans early registration of 127,500 shares of common stock, of which 27,500 shares are to be sold by the company and the remainder by certain stockholders. **Proceeds**—For general corporate purposes. **Price**—Expected at $10 per share. **Underwriter**—Dittmar & Co., San Antonio, Tex.

General Controls Co., Glendale, Calif.
March 16 the stockholders voted to approve a plan to increase the authorized preferred stock from 60,553 shares to 260,553 shares. It is planned to issue a portion of the new shares to defray in part the purchase of the Controls and Instrument Division of Perfex Corp. **Underwriters** — Last preferred stock offering was handled by Wagenseller & Durst, Inc., and Lester, Ryons & Co., both of Los Angeles, Calif.

General Telephone Co. of California
Dec. 15 company applied to California P. U. Commission for authority to issue and sell 200,000 shares of 4½% preferred stock (par $20). **Proceeds**—To repay bank loans and for expansion program. **Underwriters**—May be Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp.; and Mitchum, Jones & Templeton.

● **Georgia Power Co. (5/10)**
April 4 company sought SEC approval to issue and sell $12,000,000 of first mortgage bonds due 1985. **Proceeds**—To retire bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers; Union Securities Corp. and Equitable Securities Corp. (jointly); Morgan Stanley & Co.; Kuhn, Loeb & Co.; Shields & Co. and Salomon Bros. & Hutzler (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on May 10. **Registration**—Scheduled for April 13.

Giddings & Lewis Machine Tool Co.
Feb. 15, the stockholders approved a proposal to increase the authorized common stock (par $2) from 400,000 shares (360,000 shares outstanding) to 750,000 shares, in order to have additional shares which would be available for acquisition of any business, increased working capital, plant expansion or exchange of shares in other companies. **Underwriter** — Previous financing handled by Hornblower & Weeks and associates.

Given Manufacturing Co.
March 3 it was reported that company may do some financing in connection with acquisition of Gasinator Mfg. Co., Cleveland, O. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill.

Gulf Cities Gas Corp.
Jan. 17, D. L. Alberty, Executive Vice-President, announced that the company will have another stock issue in the near future. **Proceeds**—For expansion. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York, handled previous financing.

Hammermill Paper Co.
Feb. 25 it was announced stockholders will vote May 10 on increasing the debt authority to $20,000,000. **Underwriter**—A. G. Becker & Co. (Inc.), Chicago, Ill.

Hartford Gas Co.
March 15 stockholders approved the proposed issuance and sale of $1,500,000 convertible debentures due 1965 first to preferred and common stockholders at rate of $25 principal amount of debentures for each three shares held. **Underwriter**—None. **Offering**—Expected in May or June, 1955.

Hartford Special Machinery Co.
Feb. 24 stockholders were to vote to increase the common stock by 25,000 shares to 62,500 shares (par $20), the additional stock probably to be offered to stockholders. **Underwriter**—None.

★ **Humble Sulphur Co. (Texas)**
March 30 it was reported early registration is planned of 500,000 shares of common stock. **Price** — Expected to be about $1.25 per share. **Underwriter**—Garrett & Co., Dallas, Tex.

Illinois Bell Telephone Co. (6/3)
March 29 the company petitioned the Illinois Commerce Commission for authority to issue and sell 663,469 additional shares of common stock to stockholders of record June 3 on the basis of one new share for each six shares held; rights to expire on June 30. American Telephone & Telegraph Co., the parent, owns 99.32% of the presently outstanding stock. **Price**—At par ($100 per share). **Proceeds**—For improvements and additions to property. **Underwriter**—None.

Industrial Raw Materials Corp., New York
Feb. 21 it was reported that offering of 125,000 shares of common stock is soon expected. **Proceeds**—To selling stockholders. **Office**—575 Madison Ave., New York 22, N. Y. **Underwriters**—Milton D. Blauner & Co.; Baruch Brothers & Co.; and Hallowell, Sulzberger & Co.

★ **International Bank of Washington, D. C.**
March 23 it was reported this Bank plans to offer $500,-000 additional debenture bonds to the holders of its present outstanding debentures and common stock. **Office**—726 Jackson Place, N.W., Washington, D. C. **Business**—Industrial merchant bankers.

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Iowa Public Service Co.
Feb. 28 directors authorized officers to sell 270,220 additional shares of common stock (par $5) to common stockholders on a pro rata basis. **Price**—To be named later. **Proceeds** — For construction program. **Underwriter** — None. **Offering**—No definite date has been set.

★ Isthmus Sulphur Co. (Texas)
March 30 it was reported early registration is planned of an undertermined number of common shares. **Underwriter**—Garrett & Co., Dallas, Tex.

● Jersey Central Power & Light Co. (5/10)
April 4 it was announced company plans to issue and sell $20,000,000 first mortgage bonds due 1985. **Proceeds**—To refund $8,000,000 of bonds; repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; Blair & Co. Incorporated; Lehman Brothers; Union Securities Corp., Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Beane (jointly); White, Weld & Co.; Kidder, Peabody & Co. **Bids**—Expected to be received up to 11 a.m. (EDT) on May 10.

Jersey Central Power & Light Co.
Feb. 21 it was reported company plans to sell $5,000,000 of preferred stock. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Glore, Forgan & Co. **Offering** — Expected before July 1.

Keystone Wholesale Hardware Co., Atlanta, Ga.
Jan. 27 it was stated that the company plans at a later date to offer additional shares for sale nationally. An offering of 16,666 shares of common stock is presently being made to residents of Georgia only at $3 per share. **Office**—517 Stephens St., S.W., Atlanta, Ga.

Maine Central RR.
March 22 it was announced ICC had dropped its competitive bidding requirement on the proposed sale of $1,700,000 of new 23-year first mortgage collateral bonds due 1978. **Proceeds**—To redeem approximately $1,400,000 of 5% first mortgage divisional bonds which were sold in 1952 through Blair & Co. Incorporated, New York, and Coffin & Burr, Inc., Boston, Mass. May sell these bonds privately.

Maine Central RR.
Feb. 14, E. Spencer Miller, President, said company has not given up the idea of refunding the $17,000,000 5⅛% first mortgage and collateral trust bonds due 1978. Probable bidders for new bonds may include Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; W. C. Langley & Co.; Coffin & Burr, Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Blyth & Co., Inc.; Glore, Forgan & Co.

Majestic Auto Club, Inc.
Aug. 25 it was announced company plans to offer 500,000 shares (par five cents) to the motorist and general public shortly after completion of the current offering of 100,000 shares to service station owners and operators. **Office**—Room 717, 141 Broadway, New York 6, N. Y.

Missouri Pacific RR.
Bids are expected to be received in April for an issue of $3,765,000 equipment trust certificates due 1956-1970. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Blair & Co. Incorporated; Kidder, Peabody & Co.

Missouri Public Service Co.
Feb. 14 it was reported company stockholders will vote March 12 on increasing common stock from 530,000 shares to 2,000,000 shares to provide for a 3-for-1 split-up, and additional stock for future issuance. **Underwriter**—May be Kidder, Peabody & Co., New York.

Murphy (G. C.) Co., McKeesport, Pa.
Feb. 8 it was announced stockholders will on April 12 vote on a proposal to increase the authorized limit of indebtedness from $3,000,000 to $20,000,000. **Proceeds**—For expansion program. **Underwriter** — Merrill Lynch, Pierce, Fenner & Beane, New York, handled preferred stock financing in 1942.

National Co., Inc., Malden, Mass.
March 29 stockholders increased authorized common stock (par $1) from 300,000 shares (260,100 shares outstanding) to 400,000 shares. Joseph H. Quick, President, said it is contemplated that some financing will be arranged during 1955 to provide additional capital in connection with the current expansion program. **Underwriter**—Probably A. C. Allyn & Co. Inc., New York.

National Container Corp.
March 23 it was announced corporation is negotiating for the sale of 250,000 shares of common stock (par $1) and also a second series of $7,000,000 debentures which will carry an annual interest rate of 4½% or 4⅝%. **Proceeds**—To retire bank loans, for expansion program and working capital. **Underwriters** — For debentures, Halsey, Stuart & Co. Inc. and Van Alstyne, Noel & Co.; for stock, Van Alstyne, Noel & Co.

New Orleans Public Service Inc.
Feb. 4 it was announced that company plans this year to issue some first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Blair & Co. Incorporated; The First Boston Corp.; Equitable Securities Corp. and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); and Lehman Brothers.

New York, Chicago & St. Louis RR. (5/10)
Bids are expected to be received by the company on May 10 for the purchase from it of $4,080,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Blair & Co. Incorporated.

New York State Electric & Gas Corp.
March 29 it was announced that the company plans to sell about $21,500,000 of securities this year. The type of securities has not been determined. **Proceeds** — For construction program.

New York Telephone Co.
Jan. 17, Keith S. McHugh, President, announced that the company will have to raise more than $100,000,000 of new capital money to aid in carrying out its expansion and improvement program which will cost approximately $200,000,000. **Underwriter**—For and bonds, to be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.

North Penn Gas Co.
Dec. 17 it was announced 420,000 shares of common stock (par $5) will soon be offered to public. **Price**—To be named later. **Proceeds**—To The Post Publishing Co., publisher of The Boston Post. **Underwriter**—Eastman, Dillon & Co., New York.

Northern Indiana Public Service Co.
Jan. 12, D. H. Mitchell, President, announced that the company plans to raise approximately $12,000,000 of new money (which may be done through sale of preferred and/or common stock). **Underwriters**—Probably Central Republic Co. (Inc.), Blyth & Co., Inc.; and Merrill Lynch, Pierce, Fenner & Beane.

Northern States Power Co. (Minn.)
March 29 it was announced that new capital requirements for 1955 will approximate $31,000,000. Present plans contemplate these funds will be obtained temporarily from short-term bank loans to be repaid from proceeds of the sale of additional bonds late in 1955 or early 1956. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); Smith, Barney & Co.; Lehman Brothers and Riter & Co. (jointly); Glore, Forgan & Co.

Northwest Nitro-Chemicals, Ltd., Alberta, Can.
March 4 company plans to issue and sell publicly debentures and common stock to finance its proposed chemical project. **Underwriter**—Eastman, Dillon & Co., New York.

Northwest Plastics, Inc., St. Paul, Minn. (4/19)
March 22 it was announced that corporation proposes to offer 24,000 shares of common stock. **Price**—Expected to be $12.50 per share. **Proceeds**—To finance fibre glass division producing a complete line of fibre glass boats and cruisers. **Underwriters**—Irving J. Rice & Co., St. Paul, Minn., and M. H. Bishop & Co., Minneapolis, Minn.

Ohio Edison Co. (5/17)
Feb. 24 it was reported company plans issue and sale of $30,000,000 of first mortgage bonds due 1985. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co., White, Weld & Co. and Union Securities Corp. (jointly); The First Boston Corp. **Bids**—Expected to be received on May 17. **Registration**—Scheduled for April 26.

★ Ohio Water Service Co.
March 28 it was reported company plans to issue and sell $1,000,000 of first mortgage bonds and $300,000 of additional common stock (the latter to stockholders) in near future. **Proceeds**—To retire bank loans and reimburse the company's treasury for construction expenditures.

Oklahoma Gas & Electric Co.
Feb. 23 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds later this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Equitable Securities Corp.; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); The First Boston Corp.; Kuhn, Loeb & Co.; Harriman Ripley & Co. Inc. and Union Securities Corp. (jointly); Smith, Barney & Co.

Pennsylvania Electric Co.
Feb. 15 it was reported company plans to issue and sell later this year $9,300,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Equitable Securities Corp.; Harriman Ripley & Co., Inc.

Pennsylvania Electric Co.
Feb. 21 it was reported company proposes issuance and sale of $7,500,000 of preferred stock later this year. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kuhn, Loeb & Co.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly); Kidder, Peabody & Co.; The First Boston Corp.; Smith, Barney & Co.; Harriman Ripley & Co. Inc.

People's Finance Corp., Denver, Colo.
Jan. 31 it was reported company plans to issue and sell about $500,000 of 6% convertible preferred stock. **Proceeds**—For expansion. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected in April.

Philadelphia Transportation Co.
March 11 it was announced that the company plans to refinance the outstanding $10,000,000 Market Street Elevated Passenger Ry. Co. first mortgage 4% bonds which mature on May 1, 1955. **Underwriter** — Drexel & Co., Philadelphia, Pa.

★ Potomac Electric Power Co.
March 19 it was announced stockholders will vote April 15 on increasing the authorized common stock from 500,000 shares to 10,000,000 shares. **Underwriters**—Dillon, Read & Co. Inc. and Johnston, Lemon & Co. underwrote offering to stockholders in 1953.

Public Service Co. of Oklahoma
Nov. 11 it was reported that company plans to issue and sell 100,000 shares of new preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co. Inc. and Central Republic Co. Inc. (jointly); Smith, Barney & Co.; Kuhn, Loeb & Co.; Glore, Forgan & Co. **Offering**—Expected in May or June, 1955.

★ Puget Sound Power & Light Co.
April 5, Frank McLaughlin, President, said that "it will be necessary in 1955 to obtain funds for construction purposes from outside sources—at least to the extent of several million dollars." The company has scheduled a large-scale expansion program, involving $75,000,000, in order to keep abreast of estimated load growth over the next five years. **Underwriters**—Probably Stone & Webster Securities Corp., The First Boston Corp. and Smith, Barney & Co.

Pyramid Electric Co., Jersey City, N. J.
March 18 it was announced company plans to issue and sell 75,000 shares of 5% convertible preferred stock (par $10) through S. D. Fuller & Co., New York. The net proceeds are to be used for expansion and working capital. **Offering**—Expected some time in May.

Radio Receptor Co., Inc.
Feb. 28 it was reported that a public offering is soon expected of about 250,000 shares of common stock, of which 100,000 shares will be sold for account of company and 150,000 shares for selling stockholders. **Underwriter**—Bache & Co., New York.

★ Riegel Paper Corp.
April 4, stockholders were advised that the company plans to sell a new issue of $15,000,000 25-year sinking fund debentures and some additional common stock (par $10) to stockholders. **Proceeds** — To redeem presently outstanding funded debt and preferred stock of company and its subsidiaries aggregating $16,249,000 and to help finance the proposed expansion of the company's North Carolina pulp mill. **Underwriter** — Morgan Stanley & Co., New York. **Offering**—Expected early in May.

Scholz Homes, Inc., Toledo, Ohio
March 28 it was reported company plans early registration of 150,000 shares of common stock. **Price**—Expected at $5 per share. **Business**—Manufactures pre-fabricated and pre-cut homes. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill.

★ South Carolina Electric & Gas Co.
March 14 it was announced company expects to obtain part of its new money requirements from the sale of $4,500,000 of new bonds (may be private) and the remainder from temporary bank borrowings during the latter part of 1955.

● Southern California Edison Co.
March 29 it was announced company plans to offer approximately $40,000,000 of convertible debentures to its original preferred and common stockholders on a pro rata basis, and has sought permission from the California P. U. Commission to exempt the proposed issue from competitive bidding. The subscription period is planned to be in the latter part of May and the early part of June. **Proceeds**—To retire promissory notes and for construction program. **Underwriters**—The First Boston Corp. and Dean Witter & Co. underwrote the last offering of common stock.

Southern California Gas Co.
Feb. 28 it was reported company plans to issue and sell $40,000,000 of first mortgage bonds. **Application** has been filed with California P. U. Commission for exemption from competitive bidding. **Bids** received on last sale of bonds were from Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co. and Union Securities Corp. (jointly); Lehman Brothers.

Southern Co. (11/9)
Dec. 30 it was announced company plans to issue and sell to the public 500,000 additional shares of common stock (par $5). **Proceeds**—To repay bank loans and for investment in additional stock of subsidiary companies. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp., Ladenburg, Thalman & Co., Carl M. Loeb, Rhoades & Co. and Wertheim & Co. (jointly); Blyth & Co., Inc., Bear, Stearns & Co. and Dean Witter & Co. (jointly); Union Securities Corp. and Equitable Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane. **Bids**—Tentatively scheduled for Nov. 9. **Registration**—Not expected until Oct. 12.

● Southwestern Gas & Electric Co.
Jan. 17 it was reported company is planning to issue and sell $6,000,000 of cumulative preferred stock (par $100). **Proceeds**—To prepay bank loans and for construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co. and Kidder, Peabody & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly); W. C. Langley & Co.; Harriman Ripley & Co. Inc. **Offering**—Expected in May or June, 1955.

★ Sterling Drug, Inc.
March 28 it was reported company plans issuance and sale of about $11,000,000 of debentures and to raise about $10,000,000 additional funds. **Proceeds**—To redeem 10[illegible] 090 shares of 3½% preferred stock (par $100) and for expansion program. **Underwriter**—Eastman, Dillon & Co., New York.

Texas Eastern Transmission Corp.
. 12, George T. Naff, President, referred to the pos-ility of some $85,000,000 in new financing when and he company's current application for the reconver-of the Little Big Inch pipeline and the construction he new natural gas facilities is launched. He indi-d that it was possible that $40,000,000 of that as-ed $85,000,000 new financing might be in the form of first mortgage bonds, (to be placed privately), and based upon the assumptions that he was making he ieved that the remainder of the financing would be omplished by the issuance of debentures and pre-red stocks (he did not assume the sale of any com-n stock). Plans for the possible issuance of new secu-es are not at all definite as yet, it was announced on rch 4. **Underwriter**—Dillon, Read & Co., Inc., New k.

Texas Gas Transmission Co.
rch 15 it was reported company plans to sell addi-nal first mortgage bonds later to finance cost of new nstruction, which is estimated at about $17,500,000. derwriter—Dillon, Read & Co. Inc., New York.

Texas Instruments, Inc.
rch 21 J. Erik Jonsson, President, announced stock-ders will vote April 20 on authorizing the creation of issue of 300,000 shares of cumulative preferred stock r $25), of which it is planned to publicly offer about 0,000 shares to be known as convertible preferred ck; first to common stockholders. **Proceed**—For ex-nsion and working capital. **Underwriter** — Morgan nley & Co., New York.

Transamerica Corp.
b. 25 F. N. Belgrano, Chairman and President, an-unced that company plans to offer publicly 1,346,800 ares of capital stock through an underwriting group. fering—Planned for early in May. **Underwriters**—yth & Co., Inc., and Dean Witter Co.

United Aircraft Corp.
rch 14 it was announced stockholders will on April vote on approving a new issue of 500,000 shares of eference stock (par $100). **Proceeds**—To redeem pres-t 5% cumulative preferred stock (233,500 shares out-nding), and for working capital. **Underwriter**—Har-man Ripley & Co., Inc., New York.

United Gas Corp.
Feb. 24, N. C. McGowen, President, announced that corporation plans to raise $35,000,000 to $40,000,000 in the first half of 1955 through the sale of additional common stock to stockholders. **Proceeds**—For construction program of company and of United Gas Pipe Line Co., a subsidiary. **Underwriter**—None.

United Gas Corp.
Feb. 24, N. C. McGowen, President, stated that company might be doing some debt financing, with this year's total financing program reaching about $50,000,000 (including about $35,000,000 to $40,000,000 of common stock). **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Equitable Securities Corp. (jointly); Harriman Ripley & Co. Inc. and Goldman, Sachs & Co. (jointly).

★ Utah Power & Light Co. (9/13)
March 28 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds due 1985. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co.; Salomon Bros. & Hutzler; White, Weld & Co. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids** — To be received Sept. 13.

★ Utah Power & Light Co. (9/13)
March 28 it was reported company plans public sale of 177,500 shares of common stock. **Proceeds** — For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received on Sept. 13.

Vanadium Queen Uranium Co.
Feb. 21 it was reported company plans to issue and sell 720,000 shares of common stock. **Price**—Expected to be $2.50 per share. **Underwriter**—Van Alstyne, Noel & Co., New York.

Virgina Electric & Power Co. (6/7)
Feb. 19 it was reported company plans to issue and sell $25,000,000 of first mortgage bonds in the near future.. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp.; Stone & Webster Securities Corp.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzler; White, Weld & Co. **Bids**—Expected June 7.

Washington Gas Light Co.
Feb. 26 it was announced company plans to issue and sell about $8,000,000 refunding mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Equitable Securities Corp.; Union Securities Corp. **Offering**—Expected before July 1.

Washington Steel Co., Washington, Pa.
March 1 it was announced stockholders will vote April 28 on approving an issue of 30,000 shares of cumulative convertible preferred stock (par $50). **Proceeds**—For expansion program and working capital. **Underwriter**—Probably Singer, Deane & Scribner, Pittsburgh, Pa.

Western Union Telegraph Co.
March 15 it was announced that consideration is being given to the issuance of some additional shares of common stock through an offering to stockholders. Stockholders will vote April 13 on approving a 4-for-1 split of the company's stock and the issuance of an additional 1,580,000 new shares, part of which are expected to be offered as aforesaid, but no definite financing plans have been formulated. **Underwriters**—Expected to include Kuhn, Loeb & Co.; Lehman Brothers; and Clark, Dodge & Co.

Westpan Hydrocarbon Co. (4/15)
Dec. 11 it was reported Sinclair Oil Corp. will ask for bids for 384,861 shares of Westpan stock about April 15, 1955, if it has not been able to dispose of these holdings before that date. Underwriter—Union Securities Corp., New York, underwrote recent sale of Sinclair's holdings of Colorado Interstate Gas Co. White, Weld & Co., New York, may be included among the bidders.

Our Reporter's Report

Another week has moved along thout the new issue market lly being able to get off the ead-center" which has gripped for close on to a month. It ap-ars to be a case of both sides nding aloof in the hope that at each seeks will come to ss.

Thus far the market could rdly be described as running finitely in either direction. nd as a consequence, institu-nal investors who today make by far the bulk of the market r new debt issues remain on the delines.

It could be that the fact that e Treasury was forced to pay e highest rate in 15 months for -day money this week might r o v e a "straw-in-the-wind." ut potential buyers evidently ill not be in any hurry to seek t new capital until convinced at the chances for obtaining ch funds more cheaply have een exhausted.

So the tug-o-war continues ith the investment banking in-stry and its distributing asso-ates more or less hung up in the iddle with little to do but twid-e their fingers and, where pos-ble, endeavor to pick up a bit income by trading.

The week did bring out sev-al issues, two by the negotiated oute both of which went over ith a rush as buyers displayed brisk interest attracted not only by the yields fixed, but also by the maturity, 20-years in both instances.

Out in a Rush

The feature of the week was yesterday's public offering of $40,000,000 of 20-year convertible debentures made by bankers for the General Dynamics Corp.

Carrying a coupon rate of 3½% and priced at 102½ for a yield of around 3.4%, this issue was snapped up quickly.

With the equity market putting on a show of fair strength, and the stock of the company selling but a scant few points under the conversion figure of 75 set for the issue, it was apparent that this "call" on the shares was an added "sweetener."

Alco Still Waiting

A m e r i c a n Locomotive Co.'s prospective offering of $25,000,000 of 25-year sinking fund debentures, due to reach market originally a fortnight ago is still being held in abeyance.

Bankers evidently are a bit reluctant to bring the debentures to market in the present state of affairs. Several meetings have been held, but presumably without being able to agree on details.

The company will use the funds derived to redeem outstanding notes, retire the 7% preferred stock and expand its working capital.

Investors' Choice

The temperament of investors appears a bit on the touchy side these days as evident from the experience of bankers who have been taking on the several small, competitive utility deals available.

This week Kentucky Utilities Co. sold an issue of $5,000,000 to bankers at a price of 100.489 for a 3⅜% coupon. The purchasing syndicate repriced the issue for offering at 101.039 for a yield of 3.32%. At the start inquiries were fair to good, but suddenly picked up and the entire issue moved out in a few hours.

Meanwhile, the $18,000,000 Arkansas Power & Light Co. 3⅜s, brought out last week at 101.421 to yield 3.30% continued to lag, being reported about 40% sold.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C.—President Eisenhower's victory over the Democrats' $20 per cap tax cut, which substantially was as much Senator Harry F. Byrd's victory as it was the President's, has obscured the fact that the President's legislative program in Congress has bogged down.

As has been widely reported, the reciprocal trade program cannot pass in the pristine form proposed by the Administration. The roads program and the school program have both run into roadblocks. There is at present practically no enthusiasm for anything in the health program other than its fringe parts, like some consolidation of subsidies for hospital construction or aid to states for facilities for the mentally handicapped.

In fact, the present stage resembles that of June, 1954 when the President took to the air and the TV to lambast Congress for not getting up and at 'em on his last year's legislative repertoire.

Democrats, naturally, would be willing to find any excuse for turning down the President, so their excuses must be taken with some reservation. On the other hand, both Republicans and Democrats complain of the almost total unwillingness of the Administration crowd to take Congress into confidence.

As reported last week, the Roads bill was subjected to a silly but fatal error (if it came out of Committee) in the White House draft. It appears that the Administration has made another error in its health bill, writing it up in such a way as to snafu its consideration.

The danger which the reciprocal trade program faces stems not alone from failing to sound out Congressional sentiment and make some compromise therewith. It also is due to the fact that the White House let the State Department crowd run so far away with the ball that there is the most honest worry for fear some kind of a supra-national agency will be writing U. S. trade policy.

Has No Whip

In June, 1954 the President, as it were, cracked the whip with his TV and radio appeal to the "peepul." It succeeded rather well. Besides getting the tax bill, which all but the more ardent lefties wanted anyway, he got a considerable extension of his own Welfare State. This was due in part because it was an election year and Republican members knew that good, bad, or indifferent, they were stuck with the President.

Mr. Eisenhower's 1954 legislative success was also due in a very large measure to the fact that Republican leaders proved to be flexible enough to turn their backs on past convictions respecting the evils of spending legislation, and to go to town on his program.

This is not an election year, and the Congressional leaders are Democratic.

Therefore, most tentatively, the present outlook is for a minimum of radical legislation getting on the books this year. This prospect is further enhanced by the fact that the Democratic leadership now sees little chance of getting together on all-Democratic alternatives to Eisenhower's grand schemes.

The recent tax bill demonstrated how difficult it is to get both House and Senate leaderships together on the sale of the same brand of merchandise. Speaker Rayburn saw a nice, clean, demagogic break in offering the $20 per cap thing, especially in view of the tacit but nonetheless real commitment of the Eisenhower Administration to personal tax reduction in 1956.

When the Senate Democrats cooked up their hybrid scheme it looked like neither fish nor fowl, water nor 100% straight bourbon. This Senate concoction, relatively easily slayed through the influence of Senator Byrd, pretty well demonstrated the difficulty of getting the Senate and House Democratic wings to working under the same political manual of arms.

Will Study Loopholes

Democratic members of the Ways and Means Committee are serious in their intention of studying so-called tax loopholes, but at present are without a bandolier of ammunition to throw at the tax laws. They haven't decided the when or how of their projected study. They would welcome suggestions from the Treasury.

In this connection, it is noted that the Democratic Treasury in 1951 recommended taxing Federal savings and loan associations. These associations, which are doing a thriving business and are making nice earnings, are nominally taxable under 1951 law but under a formula which substantively allows them to legally avoid such taxation pretty much. Thus far the present Administration has avoided taking on these politically popular tax exempts.

Concentrate On Humphrey

Democratic "liberals" enjoy trying to make George Humphrey out as the "strong man" of the Eisenhower Administration, or the "Secretary of Everything."

In this respect they think they have a good thing. For one thing, unlike the anonymous men immediately around Eisenhower, who really pull the strings, Humphrey is out in front where people can see him. Second, as an eminently successful businessman, the Democrats look upon Mr. Humphrey as fair game for their political shooting at the so-called "big business Administration."

What makes the Democrats so unhappy is that George Humphrey is personable, glib, logical, and isn't flustered by the loudest speaking, table-thumping of the gentlemen of Capitol Hill.

Give Undue Credit

On the other hand, informed observers believe that the loyal opposition may be giving Mr. Humphrey much more credit than he deserves.

First, as a general rule, nine out of 10 policy decisions are made at the White House staff level, and the men around a President, no matter how incompetent they might be, are on day-to-day work more important than the members of the Cabinet who, relatively speaking, are on the outside looking in.

Second, in proportion as the government becomes more magnificent and varigated, so in proportion is the President's actual personal decision of relatively less importance and that of the staff, relatively more important.

Third, Dwight Eisenhower as the product of a military machine, almost automatically places a greater reliance upon staff judgment than any recent President, thereby often coming out with points of view contradicting members of his Cabinet as well as Congressional leaders.

Humphrey Lacks Power

Therefore, it is suspected that Mr. Humphrey is not quite the overall power that both the admirers and opponents of the Secretary make him out to be.

This is suggested by some contrasts with the previous (and personally conservative) Democratic Treasury Secretary, John W. Snyder.

No Missouri mule could dig his heels into the ground harder and make it stick better than John Snyder, when some one else in the Truman Administration tried to put something over on the Treasury, or that in his opinion adversely affected the Treasury directly as its methods of financing.

Thus, prior to the November, 1947, special "anti-inflation" session of Congress, some one in the White House called the Federal Reserve Board asking for ideas to put in Truman's anti-inflation message. The Board gave to the White House Marriner S. Eccles' then current pet idea of the "secondary reserve" of short term governments. Truman put this gimmick into the message before Snyder got wind of it.

Mr. Snyder kept his mouth shut for publication, went over to Harry Truman, explained in effect that in his opinion, it was a lot of nonsense. Finally, weeks later, when there was a public hearing before the House Banking Committe, Mr. Snyder in unsensational language explained in effect that he viewed this nostrum as a scheme to force banks to hold government securities, that he was against it, and that it wouldn't work.

That was the end of that.

Opposes Roads Program

A close parallel for Mr. Humphrey was the extra-marital financing outside the budget and outside the debt limit, for the Administration's $25 billion super-highway program.

This was just as personally repugnant to George Humphrey as the secondary reserve was to John Snyder. Yet George Humphrey could not dissuade the President from it, and, despite his convictions, felt he had to put in a public appearance on its behalf. And there is funny finance in the proposed school program as well. Both would upset the Treasury's ideas as to the proper way of doing business.

Overlooks Bet

Secretary Humphrey has not learned one lesson that has been learned by many a predecessor on his job. This is that while legally constituted as a subordinate of the President, a Cabinet Secretary also has to be something else.

This something else is the head man of an important department. It is something more than being the President's man in a particular department. It means doing everything possible to cultivate the best possible relations with Congress, for a Secretary's record is made as much by how well he gets along with Congress—especially on numerous facets of minor policy that seldom get in the newspapers—as by how well he pleases a President.

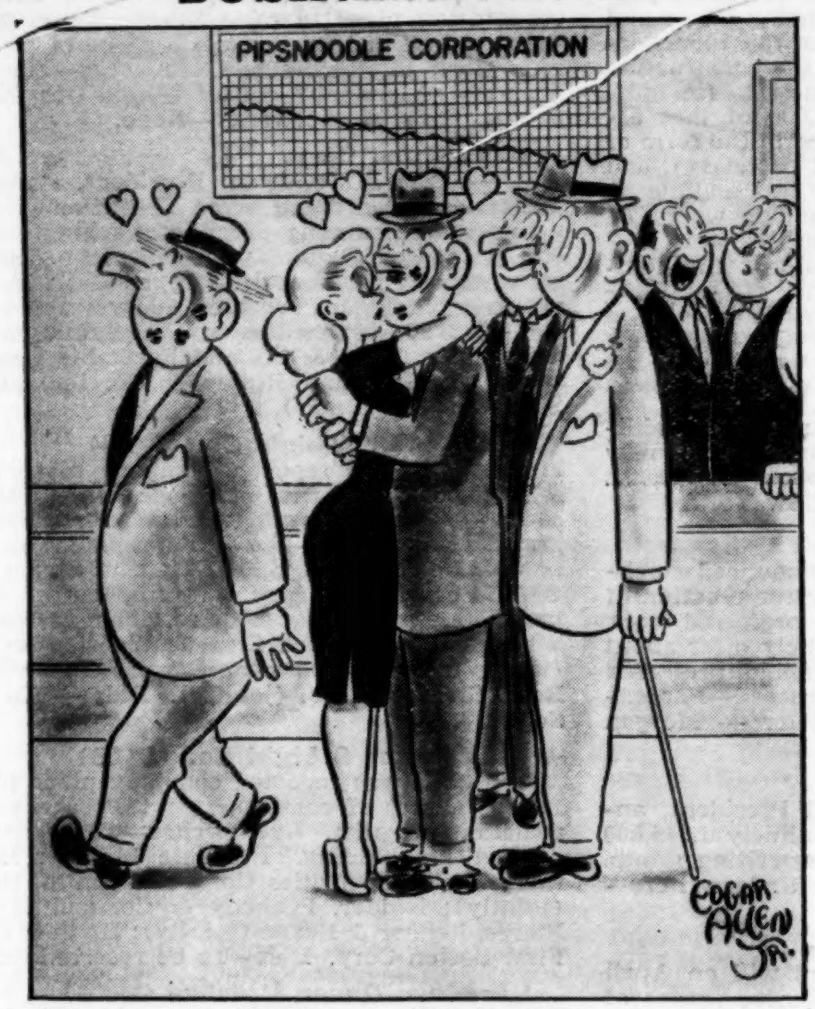
John Snyder, for instance, **mostly privately and out of the public view, always kept** the **closest and most cordial personal relations with the members of both parties on all Committees that handled any legislation affecting the Treasury.**

Snyder may not have been the glamorous character George Humphrey is, but he always cultivated Congress, a convenient counter to the bright little staff boys that were always putting things across. It is comparatively rare for Mr. Humphrey to realize the importance of this endeavor.

This may be because as an **executive of unquestioned, demonstrable ability, he visualizes himself, no less than the military, as a subordinate rather than an entity in his own right.**

(This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.)

BUSINESS BUZZ



"They're stockholders — it's in place of a dividend this year!"

With Burton, Dana

(Special to THE FINANCIAL CHRONICLE)

WASHINGTON, D. C.—Burton Dana & Co., members of the New York Stock Exchange, have announced that Harry B. Jarrett Vice-Admiral, U. S. N. (retired) is now associated with the firm as a representative in their Washington, D. C., office, 1001 Connecticut Avenue, N. W.

Admiral Jarrett graduated from the U. S. Naval Academy in 1922, advanced through grades to become Commander of Cruiser Division Four in the Atlantic during World War II, and was appointed Rear Admiral in 1950.

Chicago Analysts to Hear

CHICAGO, Ill. — Charles F. Myers, Jr., Treasurer of Burlington Industries, Inc., will be speaker at the luncheon meeting of the Investment Analysts Society of Chicago, to be held April 14 in the Georgian Room at Carson Pirie Scott & Co.

With H. L. Jamieson

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Alan P. Fraser and Robert M. Pilot are now connected with H. L. Jamieson Co., Inc., Russ Building.